

Board Meeting of
June 27, 2018

Honorable Chair and Members
of the City of Torrance Oversight Board
City Hall
Torrance, California

Members of the Board:

SUBJECT: Adopt a RESOLUTION Approving the Issuance of Refunding Bonds, Approving Related Documents and Providing for Other Related Matters

RECOMMENDATION

Recommendation that the Oversight Board adopt a **RESOLUTION** approving the issuance of refunding bonds of the Torrance Successor Agency, approving related documents and providing for other related matters.

BACKGROUND AND ANALYSIS

The Agency previously issued the following outstanding bonds (collectively, the "Outstanding Bonds")

- \$8,500,000 Redevelopment Agency of the City of Torrance (Downtown Redevelopment Project) Tax Allocation Refunding Bonds, 1998 Series A (the "1998 Downtown Bonds"). The final maturity date of the 1998 Downtown Bonds is September 1, 2028.
- \$12,770,000 Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project) Tax Allocation Subordinate Lien Refunding Bonds, 1998 Series B (the "1998 Series B Industrial Bonds"). The final maturity date of the 1998 Series B Industrial Bonds is September 1, 2028.
- \$18,500,000 Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project) Tax Allocation Senior Lien Forward Refunding Bonds, 1999 Series C (the "1999 Series C Industrial Bonds"). The final maturity date of the 1999 Series C Industrial Bonds is September 1, 2028.

The 1998 Series B Industrial Bonds and the 1999 Series C Industrial Bonds are secured by a pledge of redevelopment property tax increment and sales tax from the Agency's Torrance Industrial Redevelopment Project Area (the "Industrial Project Area"), but the debt service has always been paid from redevelopment property tax increment.

The 1998 Bonds are secured by a pledge of redevelopment property tax increment from the Agency's Downtown Redevelopment Project Area (the "Downtown Project Area").

As of June 1, 2018, the Outstanding Bonds have a collective outstanding principal amount of \$20,450,000. Tax increment generated from the Industrial and Downtown Project Areas is significantly higher than the debt service on the Outstanding Bonds.

Agency staff, working with the Agency's municipal advisor (NHA Advisors, LLC), bond counsel (Jones Hall), and underwriter (Morgan Stanley), developed a financing structure, process and initial documentation for the approval and issuance of bonds to refund the Outstanding Bonds. The purposes of the proposed refunding include (i) increasing the distribution of residual property tax revenues to taxing entities, including the City, by issuing refunding bonds with a lower interest rate than the interest rate on the Outstanding Bonds and (ii) eliminating the pledge of sales taxes to the Industrial Project Area bonds.

Overview of the Refunding Opportunity

Based upon current market assumptions, the Outstanding Bonds may be refinanced to generate average debt service savings of approximately \$225,000-\$250,000 annually or approximately \$2,330,000 on a present value basis.

Description of the 1998 Downtown Bonds

The Agency issued the 1998 Downtown Bonds in the initial principal amount of \$8,500,000 on August 19, 1998, of which \$4,710,000 is outstanding as of June 1, 2018.

The Agency plans to refund all of the 1998 Downtown Bonds. Under Health & Safety Code Section 34177.5(a), the Agency plans to issue refunding bonds that are secured by property tax revenues allocated to the Agency from the Downtown Project Area. Under current market conditions and based upon various other reasonable assumptions, including that all of the 1998 Downtown Bonds can be refunded on a tax-exempt basis, a refunding of the outstanding 1998 Downtown Bonds is projected to generate \$525,000-\$550,000 of present value savings, or approximately 12% of the refunded principal. This is an average of approximately \$50,000-\$60,000 per year in debt service savings.

Description of the 1998 Industrial Bonds, Series B and 1999 Industrial Bonds, Series C.

The Agency issued three series of tax allocation bonds for its Industrial Project Area totaling \$49,655,000 between July 1998 and June 1999.

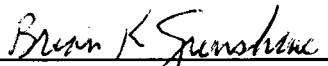
Only the 1998 Series B Industrial Bonds and the 1999 Series C Industrial Bonds remain outstanding. The 1998 Series B Industrial Bonds were originally issued in a principal amount of \$12,770,000 on July 29, 1998. As of June 1, 2018, \$5,240,000 of principal is outstanding. The 1999 Series C Industrial Bonds were originally issued in a principal amount of \$18,500,000 on June 15, 1999. As of June 1, 2018, \$10,500,000 of principal is outstanding.

The Agency plans to refund all of the outstanding 1998 Series B Industrial Bonds and 1999 Series C Industrial Bonds. Under Section 34177.5(a), the Agency will issue refunding bonds that are secured by property tax revenues allocated to the Agency from the Industrial Project Area to refinance the 1998 Series B Industrial Bonds and the 1999 Series C Industrial Bonds. Under current market conditions and based upon various other reasonable assumptions, including that all of the 1998 Series B Industrial Bonds and the 1999 Series C Industrial Bonds can be refunded on a tax-exempt basis, a refunding of all of the 1998 Series B Industrial Bonds and the 1999 Series C Industrial Bonds is projected to generate approximately \$1,750,000 in present value savings, or 12% of the refunded


principal amount. This is an average of approximately \$175,000 per year in debt service savings.

Staff recommends that the Oversight Board adopt a **RESOLUTION** approving the issuance of refunding bonds of the Torrance Successor Agency, approving related documents and providing for other related matters.

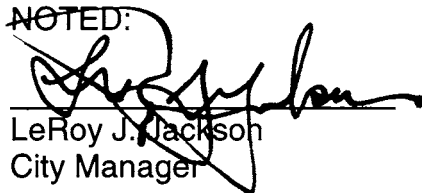
CONCUR:



Brian K. Sunshine
Assistant to the City Manager



Kenneth Flewellyn
Assistant Finance Director

NOTED:


LeRoy J. Jackson
City Manager

Respectfully submitted,

Brian K. Sunshine
Assistant to the City Manager

By 

Carolyn Chun
Senior Planning Associate

Attachments:

- A. **RESOLUTION**
- B. Draft Indenture of Trust (Industrial Bonds)
- C. Draft Indenture of Trust (Downtown Bonds)
- D. Draft Irrevocable Refunding Instructions (Industrial Bonds)
- E. Draft Irrevocable Refunding Instructions (Downtown Bonds)
- F. Draft Bond Purchase Agreement (Industrial Bonds)
- G. Draft Bond Purchase Agreement (Downtown Bonds)
- H. Draft Department of Finance Letter (Municipal Advisor Savings Report)

RESOLUTION NO. OB-2018-__**A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE APPROVING AND DIRECTING THE ISSUANCE OF REFUNDING BONDS, MAKING CERTAIN DETERMINATIONS WITH RESPECT TO THE REFUNDING BONDS AND PROVIDING OTHER MATTERS RELATING THERETO**

WHEREAS, the Redevelopment Agency of the City of Torrance (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 the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the "Law");

WHEREAS, Assembly Bill X1 26, effective June 29, 2011, together with AB 1484, effective June 27, 2012 ("AB 1484"), codified Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code (as amended from time to time, the "Dissolution Act"), and resulted in the dissolution of the Former Agency as of February 1, 2012, and the vesting in the Successor Agency to the Redevelopment Agency of the City of Torrance (the "Successor Agency") of certain of the authority, rights, powers, duties and obligations of the Former Agency;

WHEREAS, Section 34177.5 of the California Health and Safety Code (all references are to such code unless otherwise specified) authorizes the Successor Agency to issue refunding 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 purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1) (the "Savings Parameters");

Torrance Industrial Project

WHEREAS, a Redevelopment Plan for the Torrance Industrial Redevelopment Project (the "Industrial Redevelopment Project") was adopted July 19, 1983, by Ordinance No. 3063, as amended by Ordinance No. 3312, adopted October 30, 1990, as further amended by Ordinance No. 3443, adopted November 25, 1997;

WHEREAS, to finance and refinance redevelopment activities with respect to the Industrial Redevelopment Project, the Former Agency issued the following outstanding bonds (the "Outstanding Industrial Bonds"):

- (i) \$12,770,000 aggregate principal amount of Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project) Tax Allocation Subordinate Lien Refunding Bonds, 1998 Series B (Uninsured) (the "1998 Series B Bonds"), pursuant to an Indenture of Trust, dated as of July 1, 1998, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "1998 Series B Bonds Indenture");

(ii) \$18,500,000 aggregate principal amount of Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project) Tax Allocation Senior Lien Forward Refunding Bonds, 1999 Series C (Insured) (the “1999 Series C Bonds”), pursuant to an Indenture of Trust, dated as of July 1, 1998, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the “1998 Series C Bonds Indenture”);

WHEREAS, in its Resolution No. _____, adopted on _____, 2018 (the “Successor Agency Resolution”), the Successor Agency approved the issuance of its Successor Agency to the Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project) 2018 Tax Allocation Refunding Bonds (the “2018 Industrial Refunding Bonds”) for the purpose of refunding the Outstanding Industrial Bonds, and approved the form of and authorized the execution and delivery of an Indenture of Trust providing for the issuance of the 2018 Industrial Refunding Bonds, which will be between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Industrial Indenture”), and Irrevocable Refunding Instructions to be given by the Successor Agency to The Bank of New York Mellon Trust Company, N.A., as trustee for the Outstanding Industrial Bonds (the “Industrial Refunding Instructions”);

Downtown Redevelopment Project

WHEREAS, a Redevelopment Plan for the Downtown Redevelopment Project (the “Downtown Redevelopment Project”) was adopted July 10, 1979, by Ordinance No. 2912, as amended by Ordinance No. 3325, adopted May 7, 1991, as further amended by Ordinance No. 3444, adopted November 25, 1997;

WHEREAS, to finance and refinance redevelopment activities with respect to the Downtown Redevelopment Project, the Former Agency issued its \$8,500,000 aggregate principal amount of Redevelopment Agency of the City of Torrance (Downtown Redevelopment Project) Tax Allocation Refunding Bonds, 1998 Series A (the “Outstanding Downtown Bonds”; together with the Outstanding Industrial Bonds, the “Outstanding Bonds”) pursuant to an Indenture of Trust, dated as of July 15, 1998, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the “1998 Downtown Indenture”);

WHEREAS, in the Successor Agency Resolution, the Successor Agency approved the issuance of the Redevelopment Agency of the City of Torrance (Downtown Redevelopment Project) 2018 Tax Allocation Refunding Bonds (the “2018 Downtown Refunding Bonds”; together with the 2018 Industrial Refunding Bonds, the “2018 Refunding Bonds”) for the purpose of refunding the Outstanding Downtown Bonds, and approved the form of and authorized the execution and delivery of the Indenture of Trust providing for the issuance of the 2018 Downtown Refunding Bonds, which will be between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Downtown Indenture”; together with the Industrial Indenture, the “Indentures”), and Irrevocable Refunding Instructions to be given by the Successor Agency to The Bank of New York Mellon Trust Company, N.A., as trustee for the Outstanding Downtown Bonds (the “Downtown Refunding Instructions”; together with the Industrial Refunding Instructions, the “Irrevocable Refunding Instructions”);

Sale of the 2018 Refunding Bonds

WHEREAS, the Successor Agency has determined to sell the 2018 Refunding Bonds to Morgan Stanley & Co. LLC (the “Underwriter”), and approved two bond purchase agreements between the Successor Agency and the Underwriter, one related to the 2018 Industrial Refunding Bonds and one related to the 2018 Downtown Refunding Bonds (the “Bond Purchase Agreements”); and

WHEREAS, following approval by the Oversight Board of the issuance of the 2018 Refunding Bonds by the Successor Agency and upon submission of the Oversight Board Resolution to the California Department of Finance, the Successor Agency will, with the assistance of the Successor Agency’s Disclosure Counsel, cause to be prepared two forms of Official Statement, one related to the 2018 Industrial Refunding Bonds and one related to the 2018 Downtown Refunding Bonds, describing the applicable 2018 Refunding Bonds and containing material information relating to the 2018 Refunding Bonds, the preliminary forms of which will be submitted to the Successor Agency for approval for distribution by the Underwriter to persons and institutions interested in purchasing the 2018 Refunding Bonds;

Debt Service Savings Analysis

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance of the 2018 Refunding Bonds, the Successor Agency caused its municipal advisor, NHA Advisors, Inc. (the “Municipal Advisor”), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the 2018 Refunding Bonds to refund the Outstanding Bonds (the “Debt Service Savings Analysis”);

Successor Agency Request to the Oversight Board

WHEREAS, in the Successor Agency Resolution, the Successor Agency requested that this Oversight Board approve and direct the issuance of the 2018 Refunding Bonds pursuant to the Successor Agency Resolution and the Indentures and that this Oversight Board make certain determinations described below on which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the 2018 Refunding Bonds; and

WHEREAS, this Oversight Board has completed its review of the refunding proceedings and the Debt Service Savings Analysis and hereby approves the foregoing;

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board for the Successor Agency to the Torrance Redevelopment Agency, as follows:

Section 1. Ratification and Adoption of Successor Agency Resolution. The Successor Agency Resolution is hereby ratified and approved as set forth in the recitals above.

Section 2. Determination of Savings. This Oversight Board has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities by the issuance by the Successor Agency of the 2018 Refunding Bonds in compliance with the Savings Parameters to defease and redeem the Outstanding Bonds, all as evidenced by the Debt Service Savings Analysis on file with the Secretary of the Oversight Board, which Debt Service Savings Analysis is hereby approved.

Section 3. Approval and Direction of Issuance of the 2018 Refunding Bonds. As authorized by Section 34177.5(f) and Section 34180, this Oversight Board hereby approves and directs the issuance by the Successor Agency of the 2018 Refunding Bonds under Section 34177.5(a)(1) and 34177.5(f) and the Refunding Law and as provided in the Successor Agency Resolution and the Indentures, provided that the aggregate principal amount of the 2018 Industrial Refunding Bonds shall not exceed \$17,000,000, the aggregate principal amount of the 2018 Downtown Refunding Bonds shall not exceed \$6,000,000, and the principal and interest payable with respect to the 2018 Refunding Bonds shall comply in all respects with the requirements of the Savings Parameters, as shall be certified to by the Municipal Advisor upon delivery of the 2018 Refunding Bonds or any part thereof.

Subject to compliance with the Savings Parameters, this Oversight Board further hereby approves a second series of 2018 Industrial Refunding Bonds and a second series of 2018 Downtown Refunding Bonds if the City Manager of the City of Torrance, as the chief administrative officer of the Successor Agency, and the Finance Director of the City of Torrance, as the chief financial officer of the Successor Agency (each, an "Authorized Officer"), in consultation with the Municipal Advisor and Jones Hall, A Professional Law Corporation, the Successor Agency's bond counsel ("Bond Counsel"), conclude that such series of bonds, the interest on which are subject to federal income taxation, are necessary to accomplish the proposed refunding plan and comply with the Internal Revenue Code of 1986, as amended.

Section 4. Sale and Delivery of Refunding Bonds in Whole or in Part. The Oversight Board is informed by the Successor Agency that it is the intent of the Successor Agency to sell and deliver the 2018 Refunding Bonds to refund the Outstanding Bonds in whole, provided that there is compliance with the Savings Parameters, and that, if such Savings Parameters cannot be met with respect to the Outstanding Bonds in whole, then the Successor Agency intends to issue the 2018 Refunding Bonds to refund the Outstanding Bonds in part to the extent that the refunding of the Outstanding Bonds in part can satisfy the Savings Parameters. The Oversight Board hereby approves the issuance of the 2018 Refunding Bonds to refund the Outstanding Bonds in part and, thereafter, the sale and delivery of additional bonds to refund the unrefunded Outstanding Bonds pursuant to supplement to the Indentures without further prior approval of the Oversight Board provided that in each such instance the bonds so sold and delivered in part are in compliance with the Savings Parameters.

Section 5. Determinations by the Oversight Board. As requested by the Successor Agency, the Oversight Board makes the following determinations upon which the Successor Agency shall rely in undertaking the refunding proceedings and the issuance of the 2018 Refunding Bonds:

(a) The Successor Agency is authorized, as provided in Section 34177.5(f), to recover its costs related to the issuance of the 2018 Refunding Bonds from the proceeds of the 2018 Refunding Bonds, including the cost of reimbursing the City for administrative staff time spent with respect to the authorization, issuance, sale and delivery of the 2018 Refunding Bonds;

(b) The application of proceeds of the 2018 Refunding Bonds by the Successor Agency to the refunding and defeasance of all or a portion of the Outstanding Bonds pursuant to the Indentures and the Irrevocable Refunding Instructions, as well as the payment by the Successor Agency of costs of issuance of the 2018 Refunding Bonds and the premium for any bond insurance policy, debt service reserve fund insurance policy or rate lock agreement, as provided in Section 34177.5(a), shall be

implemented by the Successor Agency promptly upon sale and delivery of the 2018 Refunding Bonds, without the approval of the Oversight Board, the California Department of Finance, the Los Angeles County Auditor-Controller or any other person or entity other than the Successor Agency; and

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under Section 34183(a)(3) without any deductions with respect to continuing costs related to the 2018 Refunding Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to Section 34183. In addition and as provided by Section 34177.5(f), if the Successor Agency is unable to complete the issuance of the 2018 Refunding Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

(d) The Successor Agency is authorized to use funding approved on the Successor Agency's Recognized Obligation Payment Schedule for debt service on the Outstanding Bonds in calendar year 2019 to pay debt service on the 2018 Refunding Bonds in the same period.

Section 6. Effective Date. Pursuant to Health and Safety Code Section 34177(f) and Section 34179(h), this Resolution shall be effective five (5) business days after proper notification hereof is given to the Department of Finance unless the Department of Finance requests a review of the actions taken in this Resolution, in which case this Resolution will be effective upon approval by the Department.

Section 7. Transmittal. The Successor Agency is hereby directed to transmit this Resolution to the Department of Finance.

Section 8. Certification by the Clerk. The Oversight Board's Clerk shall certify to the adoption of this Resolution.

Section 9. Further Authority and Direction. The Successor Agency's officials and staff are hereby authorized and directed to transmit this Resolution and take all other necessary and appropriate actions as required by law in order to effectuate its purposes.

INTRODUCED, APPROVED, AND ADOPTED this 27th day of June, 2018.

ATTEST:

Steve Maguin, Chairperson,
Oversight Board of the Successor Agency
to the former Redevelopment Agency of the
City of Torrance

Rebecca Poirier, MMC
Secretary to the Oversight Board

6-14-18 Jones Hall Draft

INDENTURE OF TRUST

Dated as of _____ 1, 2018

by and between the

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF
TORRANCE**

and

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

Relating to

**\$ _____
Successor Agency to the Redevelopment Agency of the City of Torrance
(Torrance Industrial Redevelopment Project)
2018 Tax Allocation Refunding Bonds**

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture") is made and entered into and dated as of _____ 1, 2018, by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE, a public entity duly existing under the laws of the State of California (the "Successor Agency"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee");

W I T N E S S E T H:

WHEREAS, the former Redevelopment Agency of the City of Torrance (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 the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the "Community Redevelopment Law");

WHEREAS, a Redevelopment Plan (as defined herein) for the Project Area (as defined herein) was adopted in compliance with all requirements of the Community Redevelopment Law;

WHEREAS, Assembly Bill X1 26, effective June 29, 2011, together with AB 1484, effective June 27, 2012 ("AB 1484"), codified Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code (as amended from time to time, the "Dissolution Act"), and resulted in the dissolution of the Former Agency as of February 1, 2012, and the vesting in the Successor Agency of certain of the authority, rights, powers, duties and obligations of the Former Agency;

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued the following outstanding series of bonds (the "Outstanding Industrial Bonds"):

(i) \$12,770,000 aggregate principal amount of Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project) Tax Allocation Subordinate Lien Refunding Bonds, 1998 Series B (Uninsured) (the "1998 Series B Bonds"), pursuant to an Indenture of Trust, dated as of July 1, 1998, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "1998 Series B Bonds Indenture");

(ii) \$18,500,000 aggregate principal amount of Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project) Tax Allocation Senior Lien Forward Refunding Bonds, 1999 Series C (Insured) (the "1999 Series C Bonds"), pursuant to an Indenture of Trust, dated as of July 1, 1998, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "1998 Series C Bonds Indenture" together with the 1998 Series B Bonds Indenture, the "1998 Industrial Indentures");

WHEREAS, the Dissolution Act, among other things, 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 purpose of achieving debt service savings within the parameters set forth in said Section 34177.5(a);

WHEREAS, the Successor Agency has determined to defease and redeem the Outstanding Industrial Bonds;

WHEREAS, the Successor Agency has determined that it will achieve debt service savings within the debt service savings parameters set forth in said Section 34177.5(a) by the issuance pursuant to the Law and the Refunding Law of its \$_____ aggregate principal amount of Successor Agency to the Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project) 2018 Tax Allocation Refunding Bonds (the "2018 Bonds") to provide funds to defease and refund all of the Outstanding Industrial Bonds;

WHEREAS, in order to provide for the authentication and delivery of the 2018 Bonds, to establish and declare the terms and conditions upon which the 2018 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, all acts and proceedings required by law necessary to make the 2018 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 2018 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 2018 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 2018 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 2018 Bonds, as follows:

ARTICLE I

DETERMINATIONS; DEFINITIONS

Section 1.01. Findings and Determinations. The Successor Agency has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the 2018 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 2018 Bonds in the manner and form provided in this Indenture.

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

"Annual Debt Service" means, for each Bond Year, the sum of (a) the interest payable on the Outstanding Bonds and Parity Debt in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled and (b) the principal amount of the Outstanding Bonds and Parity Debt payable by their terms in such Bond Year.

"Authorized Denomination" means \$5,000 or any integral multiple of \$5,000.

"Bond" or "Bonds" means the 2018 Bonds and, if the context requires, any additional Parity Debt issued pursuant to a Supplemental Indenture pursuant to Section 5.02 hereof.

"Bond Counsel" means (a) Jones Hall, A Professional Law 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 Proceeds Fund" means the fund by that name established and held by the Trustee pursuant to Section 3.02.

"Bond Year" means, any twelve-month period beginning on September 2 in any year and ending on the next succeeding September 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date, and end on September 1, 2019.

"Business Day" means a day of the year on which banks in Los Angeles, California, or the city where the Principal Corporate Trust Office is located are not required or permitted to be closed and on which the New York Stock Exchange is not closed.

"City" means the City of Torrance, a municipal corporation and general law city duly organized and existing under the laws of the State of California.

"Closing Date" means, with respect to the 2018 Bonds, the date on which the 2018 Bonds are delivered by the Trustee to the original purchaser thereof.

"Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to

obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"Community Redevelopment Law" means the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate executed by the Successor Agency dated as of the Closing Date, 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 County and Successor Agency administrative staff costs, printing expenses, bond insurance and surety bond premiums, transferred proceeds penalties due the United States of America, underwriting fees, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee 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 and any other cost, charge or fee in connection with the original issuance of the Bonds.

"Costs of Issuance Fund" means the account by that name established and held by the Trustee pursuant to Section 3.03.

"County" means the County of Los Angeles, a county duly organized and existing under the Constitution and laws of the State.

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

"Defeasance Obligations" means (i) cash and (ii) Federal Securities.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.11.

"Depository System Participant" means any participant in the Depository's book-entry system.

"Dissolution Act" means Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code.

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

"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, (iv) any commingled investment fund in which the 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, or (v) the investment is the Local Agency Investment Fund of the State of California but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States, as certified in writing by the Agency to the Trustee.

"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 unconditionally 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 former Redevelopment Agency of the City of Torrance, a public body corporate and politic duly organized and existing under the Community Redevelopment Law and dissolved in accordance with the Dissolution Act.

"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;
- (b) does not have any substantial interest, direct or indirect, with the Successor Agency; and
- (c) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

"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 issuance of tax allocation refunding bonds or otherwise with respect to the financing of redevelopment projects;

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

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

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

"Information Services" means "EMMA" or the "Electronic Municipal Market Access" system of the Municipal Securities Rulemaking Board; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the Successor Agency may designate in a Written Certificate of the Successor Agency delivered to the Trustee.

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

"Interest Payment Date" means March 1 and September 1 of each year, commencing March 1, 2019, so long as any of the Bonds remain Outstanding hereunder.

"Irrevocable Refunding Instructions" means the Irrevocable Refunding Instructions (Torrance Industrial Redevelopment Project) relating to the defeasance and refunding of the Outstanding Industrial Bonds, given by the Successor Agency to The Bank of New York Mellon Trust Company, N.A., as the trustee for the Outstanding Industrial Bonds.

"Law" means the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code, together with the Dissolution Act, and the acts amendatory thereof and supplemental thereto.

"Maximum Annual Debt Service" means, as of the date of calculation, the largest Annual Debt Service for the current or any future Bond Year, including payments on any Parity Debt, as certified in writing by the Successor Agency to the Trustee.

"Nominee" means (a) initially, Cede & Co., as nominee of DTC, and (b) any other nominee of the Depository designated pursuant to Section 2.11(a).

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

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

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

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

"Outstanding Industrial Bonds" has the meaning given that term in the recitals of this Indenture.

"Oversight Board" means the Oversight Board for the Successor Agency, duly constituted from time to time pursuant to Section 34179 of the California Health and Safety Code.

"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 bonds, notes or other obligations that are payable from and secured by a lien on Tax Revenues that is on parity with the lien under this Indenture.

"Parity Debt Instrument" means any resolution, indenture of trust, loan agreement, trust agreement or other instrument authorizing the issuance of any Parity Debt, including, without limitation, a Supplemental Indenture authorized by Section 7.01(e).

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

"Pass-Through Agreements" means that certain Agreement For Allocation of Tax Increment Funds, dated as of June 30, 1983, among the Former Agency, the City and the County of Los Angeles, as amended by Amendment No. 1 to the Agreement for Allocation of Tax Increment Funds, dated October 9, 1991, such agreement having been entered into by the Former Agency pursuant to Section 33401 of the Law.

"Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein (provided that the Trustee shall be entitled to conclusively rely upon any investment direction from the Agency as conclusive certification to the Trustee that the investments described therein are so authorized under the laws of the State), but only to the extent that the same are acquired at Fair Market Value and otherwise comply with the Successor Agency's investment policies at the time such Permitted Investment is acquired, provided that the Trustee shall be entitled to rely upon any investment directions from the Agency as conclusive certification to the Trustee that investments described therein are in compliance with the Successor Agency's investment policy then in effect:

- (a) Cash;
- (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America;
- (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America;
- (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as

custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated;

(e) Federal Housing Administration debentures;

(f) the following listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

(i) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);

(ii) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes;

(iii) Federal Home Loan Banks (FHL Banks) consolidated debt obligations; and

(iv) Federal National Mortgage Association (FNMA) senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);

(g) unsecured certificates of deposit, time deposits, and bankers' acceptances or other similar bank deposit products (having maturities of not more than 365 days) of any bank (which may include the Trustee and its affiliates) the short-term obligations of which are rated "A-1+" or better by S&P and "Prime-1" by Moody's;

(h) deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation, in banks which have capital and surplus of at least \$15 million;

(i) commercial paper (having original maturities of not more than 270 days) rated at the time of purchase "A-1+" by S&P and "Prime-1" by Moody's;

(j) money market funds (including funds 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) rated "Aam" or "Aam-G" by S&P, or better and if rated by Moody's rated "Aa2" or better;

(k) "State Obligations", which means:

(i) direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of such state, subdivision or agency and which is rated at least "Aa" by Moody's and at least "AA" by S&P;

(ii) direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated "A-1+" by S&P and "MIG-1" by Moody's; and

(iii) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state or state agency described in (b) above and rated "AA-" or better by S&P and "Aa3" or better by Moody's;

(l) pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(i) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(ii) the municipal obligations are secured by cash or U.S. Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(iii) the principal of and interest on the U.S. Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification Report");

(iv) the cash or U.S. Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(v) no substitution of a U.S. Treasury Obligation shall be permitted except with another U.S. Treasury Obligation and upon delivery of a new Verification Report; and

(vi) the cash or U.S. Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent;

(m) repurchase agreements with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "AA-" by S&P and "Aa3" Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "AA-" by S&P and "Aa3" by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated at least "AA-" by S&P and "Aa3" by Moody's;

(n) investment agreements with a domestic or foreign bank or corporation the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's; and

(o) the Local Agency Investment Fund which 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.

"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 principal corporate trust office that the Trustee may designate in writing to the Successor Agency from time to time as the corporate trust office for purposes of this Indenture.

"Project Area" means the project area described in the Redevelopment Plan.

"Qualified Reserve Account Credit Instrument" means (i) the 2018 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, provided that all of the following requirements are met at the time of acceptance thereof by the Trustee: (a) at the time of issuance of the letter of credit, insurance policy or surety bond, S&P or Moody's have assigned a long-term credit rating to such bank or insurance company or the instrument, as applicable, of at least "AA" or "Aa"; (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 Reserve Requirement or, if such letter of credit, insurance policy or surety bond is being provided with respect to only a portion of the Reserve Requirement, such letter of credit, insurance policy or surety bond has a stated amount at least equal to that portion of the Reserve Requirement 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 the schedule by that name prepared in accordance with the requirements of Section 34177(l) 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 established and held by the Successor Agency pursuant to Section 34170.5(a) of the California Health and Safety Code.

"Redevelopment Plan" means the Redevelopment Plan for the City of Torrance Industrial Redevelopment Project Area, as adopted on July 19, 1983, by Ordinance No. 3063, and as amended by Ordinance No. 3312, adopted October 30, 1990, and Ordinance No. 3443, adopted November 25, 1997. **[discuss any subsequent redevelopment plan amendments]**

"Redevelopment Property Tax Trust Fund" means the fund established pursuant to Section 34170.5(b) of the California Health and Safety Code and administered by the City of Torrance.

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

"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(d).

"Reserve Requirement" means, with respect to the 2018 Bonds, the lesser of (i) 10% of the original aggregate principal amount of the 2018 Bonds (if there is more than a de minimis amount of original issue discount or premium (as defined in the Code), the issue price shall be used instead of principal amount) or (ii) 125% of the average Annual Debt Service with respect to the 2018 Bonds or (iii) Maximum Annual Debt Service with respect to the 2018 Bonds. **[discuss: The Successor Agency will meet the Reserve Requirement in connection with the issuance of the 2018 Bonds by depositing the 2018 Reserve Policy in the Reserve Account.]**

"S&P" means Standard & Poor's Ratings Services and its successors.

"Securities Depositories" means DTC and, 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.

"Semiannual Period" means (a) each six-month period beginning on January 1 of any calendar year and ending on June 30 of such calendar year, and (b) each six-month period beginning on July 1 of any calendar year and ending on December 31 of such calendar year.

"State" means the State of California.

"Subordinate Debt" means any loan, advances or indebtedness issued or incurred by the Successor Agency, which are either: (a) payable from, but not secured by a pledge of or lien upon, the Tax Revenues, including revenue bonds and other debts and obligations scheduled for payment pursuant to Section 34183(a)(2) of the Law; or (b) secured by a pledge of or lien upon the Tax Revenues which is subordinate to the pledge of and lien upon the Tax Revenues hereunder for the security of the Bonds and payable on the same dates as the Bonds.

"Successor Agency" means the Successor Agency to the Redevelopment Agency of the City of Torrance, a public entity duly organized and existing under the Law.

"Supplemental Indenture" means any resolution, agreement or other instrument that 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.

"Tax Revenues" means, for each Fiscal Year, all moneys derived from that portion of taxes levied upon assessable property within the Project Area deposited from time to time in the Redevelopment Property Tax Trust Fund, as provided in paragraph (2) of subdivision (a) of Section 34183 of the Law, excluding amounts if any, payable by the Successor Agency pursuant to Sections 33676, 33607.5, 33607.7 and 34183(a)(1) of the Law, including amounts payable under the Pass-Through Agreements, except to the extent that such amounts are payable on a basis subordinate to the payment of Annual Debt Service on the 2018 Bonds or any Parity Debt pursuant to Sections 33607.5(e) and 34177.5(c) of the Law or pursuant to the terms of the Pass-Through Agreements, as applicable.

"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.

"2018 Bonds" means the Successor Agency to the Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project) 2018 Tax Allocation Refunding Bonds .

"2018 Reserve Insurer" means _____, and its successors and assigns, as issuer of the 2018 Reserve Policy.

"2018 Reserve Policy" means the municipal bond debt service reserve insurance policy relating to the 2018 Bonds issued by the 2018 Reserve Insurer.

"Written Request of the Successor Agency" or "Written Certificate of the Successor Agency" means a request or certificate, in writing signed by the City Manager of the City of Torrance or the Finance Director of the City of Torrance or his or her designee, or by any other officer of the Successor Agency duly authorized by the Governing Board of the Successor Agency for that purpose.

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 2018 Bonds. The 2018 Bonds in the aggregate principal amount of _____ Dollars (\$_____) are hereby authorized to be issued by the Successor Agency under and subject to the terms of this Indenture, the Law and the Refunding Law. This Indenture constitutes a continuing agreement with the Owners of all of the Bonds, including the 2018 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, including the 2018 Bonds, which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained.

The 2018 Bonds shall be issued as one series designated the "Successor Agency to the Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project) 2018 Tax Allocation Refunding Bonds".

Section 2.02. Terms of 2018 Bonds. The 2018 Bonds shall be dated as of the Closing Date, and shall be issued in fully registered form without coupons in Authorized Denominations. The 2018 Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rate per annum as follows:

Maturity Date (September 1)	Principal Amount	Interest Rate Per Annum
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Interest on the 2018 Bonds (including the final interest payment upon maturity or earlier redemption) shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date, to such Owner at the address of such Owner as it appears on the Registration Books as of such Record Date; provided however, that payment of interest may be by wire transfer to an account in the United

States of America to any registered owner of 2018 Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee prior to the applicable Record Date. Principal of and redemption premium (if any) on any 2018 Bond shall be paid upon presentation and surrender thereof, at maturity, at the Principal Corporate Trust Office of the Trustee. Both the principal of and interest and premium (if any) on the 2018 Bonds shall be payable in lawful money of the United States of America.

Each 2018 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) a 2018 Bond is authenticated on or before the first Record Date, in which event it shall bear interest from the Closing Date; *provided, however*, that if, as of the date of authentication of any 2018 Bond, interest thereon is in default, such 2018 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 2.03. Redemption of 2018 Bonds.

[discuss: The 2018 Bonds are not subject to redemption prior to maturity.]

Section 2.04. Form of 2018 Bonds. The 2018 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 2018 Bonds. The 2018 Bonds shall be executed on behalf of the Successor Agency by the signature of the City Manager of the City, as chief executive officer of the Successor Agency, who is in office on the date of execution and delivery of this Indenture or at any time thereafter. Such signature may be made manually or may be affixed by facsimile thereof. The 2018 Bonds shall be attested by the manual or facsimile of the Secretary of the Governing Board of the Successor Agency. If any officer whose signature appears on any 2018 Bond ceases to be such officer before delivery of the 2018 Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the 2018 Bonds to the purchaser. Any 2018 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 2018 Bond shall be the proper officers of the Successor Agency although on the date of such 2018 Bond any such person shall not have been such officer of the Successor Agency.

Only such of the 2018 Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore set forth, manually executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such Certificate shall be conclusive evidence that such 2018 Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture. In the event temporary 2018 Bonds are issued pursuant to Section 2.09 hereof, the temporary 2018 Bonds may bear thereon a Certificate of Authentication executed and dated by the Trustee, shall be initially registered by the Trustee, and, until so exchanged as provided under Section 2.09 hereof, the temporary 2018 Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive 2018 Bonds authenticated and delivered hereunder.

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 or Bonds shall be surrendered for registration of transfer, the Successor Agency shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds, of like series, interest rate, maturity and principal amount of Authorized Denomination. The Trustee shall collect from the Owner any tax or other governmental charge on the transfer of any Bonds pursuant to this Section 2.06. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Successor Agency.

The Trustee may refuse to transfer, under the provisions of this Section 2.06, either (a) any Bonds during the period fifteen (15) days prior to the date established by the Trustee for the selection of Bonds for redemption, or (b) any Bonds selected by the Trustee for redemption.

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

The Trustee may refuse to transfer, under the provisions of this Section 2.07, 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.

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

Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Successor Agency, at the expense of the Owner of such Bond, shall execute, and the Trustee shall thereupon 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 Successor Agency and the Trustee and, if such evidence be satisfactory to both and indemnity satisfactory to them shall be given, the Successor Agency, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like 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 2.10 and of the expenses which may be incurred by the Successor Agency and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Successor Agency whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued pursuant to this Indenture.

Section 2.11. Book-Entry 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 Bond Owner 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 Bond Owner 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 Bond Owner 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 Bond Owners. 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.

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF 2018 BONDS

Section 3.01. Issuance of 2018 Bonds. Upon the execution and delivery of this Indenture, the Successor Agency shall issue and deliver 2018 Bonds to the Trustee in the aggregate principal amount of \$_____ and the Trustee shall authenticate and deliver the 2018 Bonds upon the Written Request of the Successor Agency.

Section 3.02. Application of Proceeds of Sale and Certain Other Amounts. On the Closing Date the proceeds of sale of the 2018 Bonds shall be paid by the underwriter to the Trustee in the amount of \$_____, which is equal to the purchase price of the 2018 Bonds of \$_____ (being the aggregate principal amount of the 2018 Bonds, less an original issue discount in the amount of \$_____, less an underwriter's discount in the amount of \$_____) [**discuss:** , less (ii) the premium for the 2018 Reserve Policy in the amount of \$_____, which shall be paid directly by the Underwriter to the 2018 Reserve Insurer.] The Trustee shall deposit the proceeds in a Bond Proceeds Fund, which is hereby established (and shall be closed upon application of the moneys as set forth below), and shall apply the proceeds as follows:

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

(b) The Trustee shall transfer all remaining moneys to The Bank of New York Mellon Trust Company, N.A., for application as set forth in the Irrevocable Refunding Instructions.

In addition, the Trustee shall credit the 2018 Reserve Policy to the Reserve Account.

Section 3.03. Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Costs of Issuance Fund", which shall be held by the Trustee in trust. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date which is six (6) months following the Closing Date, or upon the earlier Written Request of the Successor Agency, all amounts (if any) remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Interest Account of the Debt Service Fund, and the Trustee shall close the Costs of Issuance Fund.

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

Section 4.01. Security of Bonds; Equal Security. Except as provided in Section 6.06, the Bonds and any Parity Debt shall be equally secured by a pledge of, security interest in and lien on all of the Tax Revenues, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund and a first and exclusive pledge of, security interest in and lien upon

all of the moneys in the Debt Service Fund, the Interest Account and the Principal Account, without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. The Bonds shall be also equally secured by the pledge and lien created with respect to the Bonds by Section 34177.5(g) of the Law on the Tax Revenues deposited from time to time in the Redevelopment Property Tax Trust Fund. Except for the Tax Revenues and such moneys, and except as provided herein, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest on the Bonds.

In addition, the 2018 Bonds shall be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys and the 2018 Reserve Policy in the Reserve Account established by Section 4.03(d).

In consideration of the acceptance of the 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 Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

Section 4.02. Redevelopment Obligation Retirement Fund; Deposit of Tax Revenues. The Successor Agency has heretofore established the Redevelopment Obligation Retirement Fund pursuant to Section 34170.5(a) of the Law which the Successor Agency shall continue to hold and maintain so long as any of the Bonds are Outstanding.

In accordance with Section 5.08 hereof, the Successor Agency shall deposit all Tax Revenues into the Redevelopment Obligation Retirement Fund promptly upon receipt thereof. All Tax Revenues received by the Successor Agency in excess of amounts required herein or as additionally required pursuant to a Supplemental Indenture or Parity Debt Instrument, and except as may be provided to the contrary in any Parity Debt Instrument, shall be released from the pledge and lien hereunder and shall be applied in accordance with the Law, 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, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Redevelopment Obligation Retirement Fund, except as may be provided in this Indenture and in any Supplemental Indenture.

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. Concurrently with transfers with respect to Parity Debt pursuant to Parity Debt Instruments, moneys in the Redevelopment Obligation Retirement 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:

(a) Interest Account. On or before the fifth (5th) Business Day preceding each Interest Payment Date, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement 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 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.

(b) Principal Account. On or before the fifth (5th) Business Day preceding each September 1 on which the principal of the Bonds becomes due and payable, and at maturity, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then on deposit in the Principal Account, will be equal to the amount of principal coming due and payable on such date on the Bonds. No such 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 September 1 on all of the Outstanding Bonds and any Parity Debt. 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 and any Parity Debt as it shall become due and payable.

(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 payable by the Successor Agency pursuant to this Section 4.03, which shall be held by the Trustee in trust for the benefit of the Owners of the 2018 Bonds. The Reserve Requirement for the 2018 Bonds will be satisfied by the delivery of the 2018 Reserve Policy by the 2018 Reserve Insurer on the Closing Date with respect to the 2018 Bonds. The Successor Agency will have no obligation to replace the 2018 Reserve Policy or to fund the Reserve Account with cash if, at any time that the 2018 Bonds are Outstanding, amounts are not available under the 2018 Reserve Policy.

All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers 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 2018 Bonds then Outstanding.

The Trustee shall comply with the terms of the 2018 Reserve Policy and the provisions set forth in Exhibit C as shall be required to receive payments thereunder in the event and to the extent required under this subsection (c).

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 and 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 covenants that it will not issue any bonds, notes, or other obligations that are payable from or secured by a lien on Tax Revenues that is superior to the lien under this Indenture. The Successor Agency may issue Parity Debt to refund all or a portion of the Outstanding Bonds provided that with respect to any such refunding (i) debt service on such Parity Debt, as applicable, is lower than debt service on the obligations being refunded during the remaining period the obligations would otherwise be outstanding (ii) the final maturity of any such Parity Debt does not exceed the final maturity of the obligations being refunded, (iii) the interest rate on the Parity Debt shall be fixed on the date of issuance of the Parity Debt, and (iv) principal payments shall be on September 1 and interest payments on September 1 and March 1. Nothing herein shall prevent the Successor Agency from issuing Subordinate Debt.

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 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 at all times keep, or cause to be kept, proper and current books and accounts in which accurate entries are made of the financial transactions and records of the Successor Agency. Within one hundred eighty (180) days after the close of each Fiscal Year an Independent Certified Public Accountant shall prepare an audit of the financial transactions and records of the Successor Agency for such Fiscal Year. To the extent permitted by law, such audit may be included within the annual audited financial statements of the City. The Successor Agency shall furnish a copy

of such financial statements to any Owner upon reasonable request of such Owner and at the expense of such Owner. The Trustee shall have no duty to review such audits.

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 the 2018 Bonds, the 2018 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. Compliance with the Law; Recognized Obligation Payment Schedules.

(a) The Successor Agency shall comply with all of the requirements of the Law.

(b) Pursuant to Section 34177 of the Law, not later than each date a Recognized Obligation Payment Schedule is due, the Successor Agency shall submit to the Oversight Board and the State Department of Finance, a Recognized Obligation Payment Schedule. The Successor Agency shall take all actions required under the Law to include in the Recognized Obligation Payment Schedule for each Semiannual Period debt service on the Bonds, so as to enable the Los Angeles County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund on each January 2 and June 1, as applicable, amounts required to enable the Successor Agency to pay timely principal of (including any mandatory sinking fund redemption amount), and interest on, the Bonds on a timely basis, as such amounts of debt service are set forth in the Recognized Obligation Payment Schedule attached hereto as Exhibit B and hereby made a part hereof, or as such Schedule may be hereafter amended.

(c) The Successor Agency shall apply Tax Revenues received in the Bond Year beginning September 2, 2018 to pay debt service on the 2018 Bonds on March 1, 2019 and September 1, 2019.

(d) Not later than February 1, 2019 and each February 1 thereafter (or at such earlier time or other 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 Los Angeles County Auditor-Controller that shall include (a) for distribution on the immediately succeeding June 1, interest on all Outstanding Bonds due on the immediately succeeding September 1 plus 50% of principal (including any mandatory sinking fund redemption amount) due on the Outstanding Bonds on such September 1, which amounts shall distributed to the Successor Agency, and (b) for distribution on the immediately succeeding January 2, interest on all Outstanding Bonds due on the immediately succeeding March 1 plus 50% of principal (including any mandatory sinking fund redemption amount) due on all Outstanding Bonds on the immediately succeeding September 1.

(e) In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2018 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 Bonds and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of (i) not less than one of half of debt service due during each Bond Year on all Outstanding Bonds prior to March 1 of such Bond Year, and (ii) the remainder of debt service due during such Bond Year on all Outstanding Bonds prior to the next succeeding September 1.

Section 5.09. Dissolution Act Invalid; Maintenance of Tax Revenues. In the event that the applicable property tax revenues provisions of the Dissolution Act are determined by a court in a final judicial decision to be invalid and, in place of the invalid provisions, provisions of the Law or the equivalent become applicable to the Bonds, the Successor Agency shall comply with all requirements of the Law or the equivalent to ensure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and, in the case of amounts payable by the State, appropriate officials of the State.

Section 5.10. 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 an Event of Default hereunder. However, the Participating Underwriter and any holder or beneficial owner of the 2018 Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section 5.10.

Section 5.11. 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 5.12. No Arbitrage. The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the 2018 Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the 2018 Bonds would have caused the 2018 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 5.13. Private Activity Bond Limitation. The Successor Agency shall assure that the proceeds of the 2018 Bonds are not so used as to cause the 2018 Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

Section 5.14. Federal Guarantee Prohibition. The Successor Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the 2018 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 5.15. Rebate Requirement. The Successor Agency shall take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds.

Section 5.16. Maintenance of Tax-Exemption. The Successor Agency shall take all actions necessary to assure the exclusion of interest on the 2018 Bonds from the gross income of the Owners of the 2018 Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the 2018 Bonds.

Section 5.17. Provisions Relating to the Reserve Policy. So long as the 2018 Reserve Policy remains in effect and notwithstanding anything herein to the contrary, the Successor Agency and the Trustee shall comply with all of the terms and provisions set forth in Exhibit C relating to the 2018 Reserve Insurer and the 2018 Reserve Policy as if such provisions were set forth directly in this Indenture.

ARTICLE VI

THE TRUSTEE

Section 6.01. Duties, Immunities and Liabilities of Trustee.

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

(b) The Successor Agency may remove the Trustee at any time, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time the Successor Agency has knowledge that the Trustee shall cease to be eligible in accordance with subsection (e) 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 at least 30 days' written notice of such removal by the Successor Agency to the Trustee, whereupon the Successor Agency shall appoint a successor Trustee by an instrument in writing.

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

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within 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 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 mail a notice of the succession of such Trustee to the trusts hereunder to the Owners at their respective addresses shown on the Registration Books. If the Successor Agency fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Successor Agency.

(e) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a financial institution having a corporate 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 \$75,000,000, and subject to supervision or examination by federal or state authority. 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 (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

The Successor Agency will maintain a Trustee which is qualified under the provisions of the foregoing provisions of this subsection (e), so long as any Bonds are Outstanding.

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 (e) 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 intentional misconduct. 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 for any error of judgment made by a responsible employee or officer, unless the Trustee shall have been negligent in ascertaining the pertinent facts.

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

(d) The Trustee shall not be liable for any action taken by it 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 intentional misconduct of the Trustee. The permissive right of the Trustee to do things enumerated hereunder shall not be construed as a mandatory duty.

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until 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 Tax Revenues into the Redevelopment Obligation Retirement Fund and the investment and application of moneys on deposit in the Redevelopment Obligation Retirement Fund (other than its covenants to transfer such moneys to the Trustee when due hereunder).

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.

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.

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.

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.

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

The Trustee will not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to any project refinanced with the proceeds of the Bonds, malicious mischief, condemnation, and unusually severe weather and/or occurrences beyond the control of the Trustee.

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 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 the 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.

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

Section 6.04. Right to Rely on Documents and Opinions. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion or other paper or document believed by it to be genuine and to have been signed or 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, in the absence of negligence or intentional misconduct by the Trustee, the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

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

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

Section 6.05. 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 the Successor Agency and any Owner, and their agents and representatives duly authorized in writing, during regular business hours and under reasonable conditions.

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

duties under this Indenture. The Trustee shall have a first lien on the Tax Revenues and all funds and accounts held by the Trustee hereunder to secure the payment to the Trustee of all fees, costs and expenses, including reasonable compensation to its experts, attorneys and counsel (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel).

The Successor Agency further covenants and agrees to indemnify, defend and save the Trustee and its officers, directors, agents and employees, harmless from and against any loss, expense and liabilities, including legal fees and expenses, which it may incur 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 intentional misconduct of the Trustee, its officers, directors, agents or employees. 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 Account 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. In the absence of any such Written Request of the Successor Agency, the Trustee shall hold such moneys uninvested. The Trustee shall be entitled to rely conclusively upon the written instructions of the Successor Agency directing investments in Permitted Investments as to the fact that each such investment is permitted by the laws of the State, and shall not be required to make further investigation with respect thereto. Moneys in the Redevelopment Obligation Retirement 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. 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 pursuant to this Section.

The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Successor Agency periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

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.

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 the 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 has no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Successor Agency in any Written Certificate or Written Request of the Successor Agency. Trustee shall be deemed to have complied with such valuation through use of its automated pricing service as reflected on its trust accounting statements.

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 of the Trustee 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, at least monthly, 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. Appointment of Co-Trustee or Agent. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate co-trustee. The following provisions of this Section 6.09 are adopted to these ends.

In the event that the Trustee shall appoint an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them; provided, however, in no event shall the Trustee be responsible or liable for the acts or omissions of any co-trustee.

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

Section 6.10. Other Transactions with Successor Agency. The Trustee, either as principal or agent, may engaged 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 and without the consent of any Owners, to the extent permitted by law and 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, 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 amend the Recognized Obligation Debt Service Payment Schedule set forth in Exhibit B to reflect the issuance of Parity Debt or to take into account the redemption of any Bond prior to its maturity;

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

(e) to provide for the issuance of Parity Debt pursuant to a Supplemental Indenture, as such issuance is authorized by Section 5.02.

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 with the consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premium, (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, 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 addition, the Trustee shall be entitled to an opinion of counsel concerning the Supplemental Indenture's lack of any material adverse effect on the Owners.

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 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 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.

Section 7.05. Trustee's Reliance. The Trustee may conclusively rely, and is protected in relying, upon a Written Certificate of the Successor Agency and an opinion of Bond Counsel stating that all requirements of this Indenture relating to the amendment or modification hereof have been satisfied and that such amendments or modifications do not materially adversely affect the interests of the Bond Owners.

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 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 or any Parity Debt Instrument contained, other than a default described in the preceding clause (a), and such default shall have continued for a period of sixty (60) days following receipt by the Successor Agency of written notice from the Trustee or any Owner of the occurrence of such default, provided that if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within such 60 day period, such failure will not constitute an event of default if corrective action is instituted by the Successor Agency within such 60 day period and the Successor Agency thereafter diligently and in good faith cures such failure in a reasonable period of time;

(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 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, 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

If an Event of Default has occurred and is continuing, the Trustee may, or, if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding the Trustee shall, (a) with respect to Events of Default pursuant to 8.01(a) or (c), 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 (b) the Trustee shall, subject to the provisions of Section 8.06, exercise any other remedies available to the Trustee and the Bond Owners in law or at equity.

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

extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

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

Section 8.02. Application of Funds Upon Acceleration. All of the 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 several Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

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

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

Third, to the payment of all amounts due and owing to the 2018 Reserve Insurer hereunder.

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 Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 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 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 Tax Revenues and other amounts pledged hereunder, the principal of and interest 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.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee, the 2018 Reserve Insurer 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, the 2018 Reserve Insurer and the Owners.

Section 9.02. 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 9.03. Defeasance of Bonds. 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 on all or the applicable portion of Outstanding Bonds, as and when the same become due and payable; or

(ii) by irrevocably depositing with the Trustee, in trust or an escrow holder, in escrow, 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 a portion of Outstanding Bonds, including all principal and interest, or;

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

(iv) by purchasing such Bonds prior to maturity and tendering such Bonds to the Trustee for cancellation;

then, at the election of the Successor Agency, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Tax Revenues and other funds provided for in this Indenture 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, from the amounts so deposited with the Trustee, all sums due

thereon and to pay the Trustee all fees, expenses and costs of the Trustee. 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 for deposit in the Redevelopment Obligation Retirement Fund.

Section 9.04. 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 their attorneys appointed in writing.

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

The ownership of Bonds and the amount, maturity, number and date of ownership thereof shall be 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 9.05. 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 9.06. 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 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 9.07. 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 9.08. 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 telegram, addressed as follows:

If to the Successor Agency: Successor Agency to the Redevelopment
Agency of the City of Torrance
3031 Torrance Blvd.
Torrance, CA 90503
Attention: City Manager

If to the Trustee: The Bank of New York Mellon Trust
Company, N.A.
[address to come]
Attention: Global Corporate Trust Services
Reference: Successor Agency to the
Redevelopment Agency of
the City of Torrance

If to the 2018 Reserve Insurer: As provided in Exhibit C hereto

Section 9.09. 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 Treasurer of the County of Los Angeles, on behalf 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 Treasurer 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 9.10. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and

premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the Successor Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the Successor Agency for the payment of the principal of and interest and redemption premium (if any) on of such Bonds.

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

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

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

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF TORRANCE**

By: _____
City Manager
City of Torrance

ATTEST:

City Clerk
City of Torrance

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

By: _____
Authorized Officer

EXHIBIT A

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF TORRANCE

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF
TORRANCE
(TORRANCE INDUSTRIAL REDEVELOPMENT PROJECT)
2018 TAX ALLOCATION REFUNDING BOND

INTEREST RATE: MATURITY DATE: DATED DATE: CUSIP:
 SEPTEMBER 1, _____, 2018

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

The SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE, a public entity, duly created and existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth (15th) day of the month immediately preceding an Interest Payment Date (the "Record Date"), in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before February 15, 2019, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on March 1 and September 1 in each year, commencing March 1, 2019 (each an "Interest Payment Date"), calculated on the basis of 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, as trustee (the "Trustee"), or at such other place as designated by the Trustee (the "Corporate Trust Office"). Interest hereon (including the final interest payment upon maturity or earlier redemption hereof) is payable by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books maintained by the

Trustee as of the Record Date for which such Interest Payment Date occurs; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of Bonds in the aggregate principal amount of \$1,000,000 or more upon written instructions of any such registered owner filed with the Trustee for that purpose prior to the Record Date preceding the applicable Interest Payment Date.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as "Successor Agency to the Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project) 2018 Tax Allocation Refunding Bonds" (the "Bonds"), in 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, redemption and other provisions) and all issued pursuant to the provisions of Section 34177.5 of the Health and Safety Code of the State of California and 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 of California (the "Refunding Law") and pursuant to an Indenture of Trust, dated as of _____ 1, 2018, entered into by and between the Successor Agency and the Trustee (the "Indenture"), authorizing the issuance of the Bonds. Additional bonds or other obligations may also be issued on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Law (as defined in the Indenture) and the Refunding Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Successor Agency for the purpose of providing funds to refund its Outstanding Industrial Bonds (as defined in the Indenture), to provide for a debt service reserve fund and to pay certain expenses of the Successor Agency in issuing the Bonds.

There has been created under the Law the Redevelopment Obligation Retirement Fund (as defined in the Indenture) into which Tax Revenues shall be deposited 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. As and to the extent set forth in the Indenture, all such Tax Revenues are exclusively and irrevocably pledged to and constitute a trust fund, in accordance with the terms hereof and the provisions of the Indenture and the Law, for the security and payment or redemption of, including any premium upon early redemption, and for the security and payment of interest on, the Bonds. In addition, the Bonds shall be additionally secured at all times by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Redevelopment Obligation Retirement Fund, the Debt Service Fund, the Interest Account, the Principal Account and the Reserve Account (as such terms are defined in the Indenture). Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium, if any, on the Bonds.

The Bonds are not subject to redemption prior to maturity.

If 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 Authorized Denominations (as defined in the Indenture). Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Bonds may be exchanged for a like aggregate principal amount of Bonds of other Authorized Denominations and of the same maturity.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Corporate Trust Office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new fully registered Bond or Bonds, of any Authorized Denominations, for the same aggregate principal amount and of the same 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 premium (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the registered owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee.

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 of the County of Los Angeles, the State of California, or any of its political subdivisions, and neither said County, 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 of the Successor Agency. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

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

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

IN WITNESS WHEREOF, the Successor Agency to the Redevelopment Agency of the City of Torrance has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its chief administrative officer and attested by the Secretary of the Governing Board, as of the Dated Date set forth above.

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF TORRANCE

By: _____
City Manager
City of Torrance

ATTEST:

City Clerk
City of Torrance

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

Authentication Date: _____

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

By: _____
Authorized Signatory

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or Tax Regulations:

TEN COM --	as tenants in common	UNIF GIFT MIN ACT _____ Custodian _____
TEN ENT --	as tenants by the entireties	(Cust.) (Minor)
JT TEN --	as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act _____ (State)
COMM PROP --	as community property	

ADDITIONAL ABBREVIATIONS MAY ALSO BE USED
THOUGH NOT IN THE LIST ABOVE

(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**DEBT SERVICE PAYMENT SCHEDULE**

Period Ending	Principal	Interest	Total Debt Service
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Total

EXHIBIT C
PROVISIONS RELATING TO
THE 2018 RESERVE POLICY
AND THE
2018 RESERVE INSURER

5-28-18 Jones Hall Draft**IRREVOCABLE REFUNDING INSTRUCTIONS
(Torrance Industrial Redevelopment Project)**

These IRREVOCABLE REFUNDING INSTRUCTIONS (TORRANCE INDUSTRIAL REDEVELOPMENT PROJECT) (these "Instructions"), dated _____, 2018, are given by the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE, a public entity, duly organized and existing under the laws of the State of California (the "Successor Agency"), to THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, acting as trustee for the hereinafter defined Outstanding Industrial Bonds (the "Refunded Bonds Trustee");

WITNESSETH:

WHEREAS, the former Redevelopment Agency of the City of Torrance (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 the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the "Community Redevelopment Law");

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, Section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the Successor Agency has become the successor entity to the Former Agency;

WHEREAS, prior to dissolution of the Former Agency, for the purpose of financing redevelopment activities of the Former Agency, the Former Agency issued, among other bonds, the following outstanding bonds (the "Outstanding Industrial Bonds"):

(i) \$12,770,000 aggregate principal amount of Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project) Tax Allocation Subordinate Lien Refunding Bonds, 1998 Series B (Uninsured) (the "1998 Series B Bonds"), pursuant to an Indenture of Trust, dated as of July 1, 1998 (the "1998 Series B Bonds Indenture"), by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Refunded Bonds Trustee");

(ii) \$18,500,000 aggregate principal amount of Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project) Tax Allocation Senior Lien Forward Refunding Bonds, 1999 Series C (Insured) (the "1999 Series C Bonds"), pursuant to an Indenture of Trust, dated as of July 1, 1998, by and between the Former Agency and the Refunded Bonds Trustee, as successor trustee (the "1999 Series C Bonds Indenture");

WHEREAS, Section 34177.5 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 purpose of achieving debt service savings within the parameters set forth in said Section 34177.5(a);

WHEREAS, the Successor Agency has determined to defease and redeem the Outstanding Industrial Bonds;

WHEREAS, pursuant to its Resolution No. _____ adopted on _____, 2018, the Successor Agency has determined that it will achieve debt service savings within the debt service savings parameters set forth in said Section 34177.5(a) by the issuance pursuant to the Law and the Refunding Law of its \$_____ aggregate principal amount of Successor Agency to the Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project) 2018 Tax Allocation Refunding Bonds (the "2018 Refunding Bonds") pursuant to an Indenture of Trust, dated as of _____ 1, 2018, between the Successor Agency and The Bank of New York Mellon Trust Company, N.A. (the "2017 Refunding Bonds Trustee"), to provide funds to refund all of the Outstanding Industrial Bonds;

WHEREAS, the Successor Agency desires to give these Instructions to the Refunded Bonds Trustee for the purpose of providing the terms and conditions relating to the deposit and application of moneys to provide for the payment and redemption of all of the Outstanding Industrial Bonds pursuant to Section 2.03(a) of the 1998 Series B Bonds Indenture and Section 2.03(a) of the 1998 Series C Bonds Indenture;

NOW, THEREFORE, the Successor Agency hereby irrevocably instructs the Refunded Bonds Trustee as follows:

Section 1. Debt Service Fund.

(a) 1998 Series B Bonds. Pursuant to Section 4.03 of the Outstanding Industrial Bonds Indenture, there has heretofore been established an account held by the Refunded Bonds Trustee known as the "Debt Service Fund" (the "1998 Series B Bonds Debt Service Fund"), and within the 1998 Series B Bonds Debt Service Fund an Interest Account and Redemption Account. All cash and securities deposited in or transferred to the 1998 Series B Bonds Debt Service Fund and the Interest Account and the Redemption Account therein pursuant to these Instructions are hereby irrevocably pledged as a special trust fund for the redemption of all of the outstanding 1998 Series B Bonds on _____, 2018, in accordance with the 1998 Series B Bonds Indenture. The Refunded Bonds Trustee shall have no lien upon or right of set off against the securities and cash at any time on deposit in the 1998 Series B Bonds Debt Service Fund or the accounts therein, and such amounts shall be applied only as provided herein.

(b) 1999 Series C Bonds. Pursuant to Section 4.03 of the Outstanding Industrial Bonds Indenture, there has heretofore been established an account held by the Refunded Bonds Trustee known as the "Debt Service Fund" (the "1999 Series C Bonds Debt Service Fund"), and within the 1999 Series C Bonds Debt Service Fund an Interest Account and Redemption Account. All cash and securities deposited in or transferred to the 1999 Series C Bonds Debt Service Fund and the Interest Account and the Redemption Account therein pursuant to these Instructions are hereby irrevocably pledged as a special trust fund for the redemption of all of the outstanding 1999 Series C Bonds on _____, 2018, in accordance with the 1999 Series C Bonds Indenture. The Refunded Bonds Trustee shall have no lien upon or right of set off against the securities and cash at any time on deposit in the 1999 Series C Bonds Debt Service Fund or the accounts therein, and such amounts shall be applied only as provided herein.

Section 2. Deposit and Transfer into 1998 Series B Debt Service Fund, 1999 Series C Debt Service Fund and the Interest Accounts and Redemption Accounts therein; Investment of Amounts.

(a) 1998 Series B Bonds. Concurrently with delivery of the 2018 Refunding Bonds, the Successor Agency shall cause to be transferred to the Refunded Bonds Trustee the amount of \$_____ in immediately available funds to be derived from a portion of the proceeds of sale of the 2018 Refunding Bonds, which amount the Refunded Bonds Trustee shall then deposit in the Interest Account for the 1998 Series B Bonds in the amount of \$_____ and the Redemption Account for the 1998 Series B Bonds in the amount of \$_____. Concurrently, the Refunded Bonds Trustee will transfer \$_____ from the Reserve Account for the 1998 Series B Bonds, to the Redemption Account for the 1998 Series B Bonds. The Refunded Bonds Trustee shall hold all amounts deposited in the Interest Account and Redemption Account for the 1998 Series B Bonds in cash, uninvested, pursuant to these Instructions.

The Successor Agency confirms that by making the deposits described herein, it is discharging all of the outstanding 1998 Series B Bonds pursuant to Section 9.03 of the 1998 Series B Bonds Indenture.

(b) 1999 Series C Bonds. Concurrently with delivery of the 2018 Refunding Bonds, the Successor Agency shall cause to be transferred to the Refunded Bonds Trustee the amount of \$_____ in immediately available funds to be derived from a portion of the proceeds of sale of the 2018 Refunding Bonds, which amount the Refunded Bonds Trustee shall then deposit in the Interest Account for the 1999 Series C Bonds in the amount of \$_____ and the Redemption Account for the 1999 Series C Bonds in the amount of \$_____. Concurrently, the Refunded Bonds Trustee will transfer \$_____ from the Reserve Account for the 1999 Series C Bonds, to the Redemption Account for the 1999 Series C Bonds. The Refunded Bonds Trustee shall hold all amounts deposited in the Interest Account and Redemption Account for the 1999 Series C Bonds in cash, uninvested, pursuant to these Instructions.

The Successor Agency confirms that by making the deposits described herein, it is discharging all of the outstanding 1999 Series C Bonds pursuant to Section 9.03 of the 1999 Series C Bonds Indenture.

Section 3. Proceedings for Redemption of Outstanding Industrial Bonds.

(a) 1998 Series B Bonds. The Successor Agency hereby irrevocably elects, and directs the Refunded Bonds Trustee, to redeem, on _____, 2018, all of the outstanding 1998 Series B Bonds pursuant to the provisions of Section 2.03(a) of the 1998 Series B Bonds Indenture. The Successor Agency previously instructed the Refunded Bonds Trustee to mail a notice of redemption to the owners of the 1998 Series B Bonds and any insurer of such 1998 Series B Bonds in substantially in the form attached hereto as Exhibit A-1. The Refunded Bonds Trustee is hereby instructed to file on _____, 2018, the notice substantially in the form attached hereto as Exhibit B-1 on the Municipal Securities Rulemaking Board's EMMA System.

(b) 1999 Series C Bonds. The Successor Agency hereby irrevocably elects, and directs the Refunded Bonds Trustee, to redeem, on _____, 2018, all of the outstanding 1999 Series C Bonds pursuant to the provisions of Section 2.03(a) of the 1999 Series C Bonds Indenture. The Successor Agency previously instructed the Refunded Bonds Trustee to mail on _____, 2018, a notice of redemption to the owners of the 1999 Series C Bonds and any insurer of such 1999 Series C Bonds in substantially in the form attached hereto as Exhibit A-2. The

Refunded Bonds Trustee is hereby instructed to file on _____, 2018, the notice substantially in the form attached hereto as Exhibit B-2 on the Municipal Securities Rulemaking Board's EMMA System.

Section 4. Application of Funds to Redeem the Outstanding Industrial Bonds.

(a) 1998 Series B Bonds. The Refunded Bonds Trustee shall apply the amounts on deposit in the 1998 Series B Bonds Debt Service Fund, including the Interest Account and Redemption Account therein, to redeem all of the outstanding 1998 Series B Bonds on _____, 2018, at a price equal to 100% of the principal amount thereof, plus accrued interest.

(b) 1999 Series C Bonds. The Refunded Bonds Trustee shall apply the amounts on deposit in the 1999 Series C Bonds Debt Service Fund, including the Interest Account and Redemption Account therein, to redeem all of the outstanding 1999 Series C Bonds on _____, 2018, at a price equal to 100% of the principal amount thereof, plus accrued interest.

Section 5. Transfer of Remaining Funds.

On _____, 2018, following the payment and redemption of the 1998 Series B Bonds and the 1999 Series C Bonds described above, the Refunded Bonds Trustee shall withdraw any amounts remaining on deposit in the 1998 Series B Bonds Debt Service Fund or the 1999 Series C Bonds Debt Service Fund and transfer such amounts to the 2018 Refunding Bonds Trustee for deposit into the Debt Service Fund established under the Indenture for the 2018 Refunding Bonds to be used solely for the purpose of paying interest on the 2018 Refunding Bonds.

Section 6. Amendment. These Instructions shall be irrevocable by the Successor Agency. These Instructions may be amended or supplemented by the Successor Agency, but only if the Successor Agency shall file with the Refunded Bonds Trustee (a) an opinion of nationally recognized bond counsel engaged by the Successor Agency stating that such amendment or supplement will not, of itself, adversely affect the exclusion from gross income of interest represented by the Outstanding Industrial Bonds or the 2018 Refunding Bonds under federal income tax law, and (b) a certification of an independent accountant or independent financial adviser engaged by the Successor Agency stating that such amendment or supplement will not affect the sufficiency of funds invested and held hereunder to make the payments required by Section 4.

Section 7. Governing Law. These Instructions shall be construed in accordance with and governed by the laws of the State of California.

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY
OF TORRANCE**

By: _____
Director of Finance
City of Torrance

ACCEPTED:

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

By: _____
Vice President

ACCEPTED with respect to Section 5:

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
as 2017 Refunding Bonds Trustee

By: _____
Vice President

EXHIBIT A-1
FORM OF NOTICE OF FULL OPTIONAL REDEMPTION
1998 SERIES B BONDS

EXHIBIT A-2
FORM OF NOTICE OF FULL OPTIONAL REDEMPTION
1999 SERIES C BONDS

EXHIBIT B-1
FORM OF NOTICE OF DEFEASANCE
1998 SERIES B BONDS

EXHIBIT B-2
FORM OF NOTICE OF DEFEASANCE
1999 SERIES C BONDS

6-14-18 Jones Hall Draft

INDENTURE OF TRUST

Dated as of _____ 1, 2018

by and between the

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF
TORRANCE**

and

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

Relating to

**\$ _____
Successor Agency to the Redevelopment Agency of the City of Torrance
(Downtown Redevelopment Project)
2018 Tax Allocation Refunding Bonds**

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture") is made and entered into and dated as of _____ 1, 2018, by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE, a public entity duly existing under the laws of the State of California (the "Successor Agency"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, the former Redevelopment Agency of the City of Torrance (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 the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the "Community Redevelopment Law");

WHEREAS, a Redevelopment Plan (as defined herein) for the Project Area (as defined herein) was adopted in compliance with all requirements of the Community Redevelopment Law;

WHEREAS, Assembly Bill X1 26, effective June 29, 2011, together with AB 1484, effective June 27, 2012 ("AB 1484"), codified Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code (as amended from time to time, the "Dissolution Act"), and resulted in the dissolution of the Former Agency as of February 1, 2012, and the vesting in the Successor Agency of certain of the authority, rights, powers, duties and obligations of the Former Agency;

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued its \$8,500,000 aggregate principal amount of Redevelopment Agency of the City of Torrance (Downtown Redevelopment Project) Tax Allocation Refunding Bonds, 1998 Series A (the "Outstanding Downtown Bonds"), pursuant to an Indenture of Trust, dated as of July 15, 1998 (the "1998 Downtown Indenture"), by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as successor trustee;

WHEREAS, the Dissolution Act, among other things, 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 purpose of achieving debt service savings within the parameters set forth in said Section 34177.5(a);

WHEREAS, the Successor Agency has determined to defease and redeem the Outstanding Downtown Bonds;

WHEREAS, the Successor Agency has determined that it will achieve debt service savings within the debt service savings parameters set forth in said Section 34177.5(a) by the issuance pursuant to the Law and the Refunding Law of its \$_____ aggregate principal amount of Successor Agency to the Redevelopment Agency of the City of Torrance (Downtown Redevelopment Project) 2018 Tax Allocation Refunding Bonds (the "2018 Bonds") to provide funds to defease and refund all of the Outstanding Downtown Bonds;

WHEREAS, in order to provide for the authentication and delivery of the 2018 Bonds, to establish and declare the terms and conditions upon which the 2018 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, all acts and proceedings required by law necessary to make the 2018 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 2018 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 2018 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 2018 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 2018 Bonds, as follows:

ARTICLE I

DETERMINATIONS; DEFINITIONS

Section 1.01. Findings and Determinations. The Successor Agency has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the 2018 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 2018 Bonds in the manner and form provided in this Indenture.

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

"Annual Debt Service" means, for each Bond Year, the sum of (a) the interest payable on the Outstanding Bonds and Parity Debt in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled and (b) the principal amount of the Outstanding Bonds and Parity Debt payable by their terms in such Bond Year.

"Authorized Denomination" \$5,000 or any integral multiple of in excess of \$5,000.

"Bond" or "Bonds" means the 2018 Bonds and, if the context requires, any additional Parity Debt issued pursuant to a Supplemental Indenture pursuant to Section 5.02 hereof.

"Bond Counsel" means (a) Jones Hall, A Professional Law 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 Proceeds Fund" means the fund by that name established and held by the Trustee pursuant to Section 3.02.

"Bond Year" means, any twelve-month period beginning on September 2 in any year and ending on the next succeeding September 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date, and end on September 1, 2019.

"Business Day" means a day of the year on which banks in Los Angeles, California, or the city where the Principal Corporate Trust Office is located are not required or permitted to be closed and on which the New York Stock Exchange is not closed.

"City" means the City of Torrance, a municipal corporation and general law city duly organized and existing under the laws of the State of California.

"Closing Date" means, with respect to the 2018 Bonds, the date on which the 2018 Bonds are delivered by the Trustee to the original purchaser thereof.

"Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to

obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"Community Redevelopment Law" means the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate executed by the Successor Agency dated as of the Closing Date, 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 County and Successor Agency administrative staff costs, printing expenses, bond insurance and surety bond premiums, transferred proceeds penalties due the United States of America, underwriting fees, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee 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 and any other cost, charge or fee in connection with the original issuance of the Bonds.

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

"County" means the County of Los Angeles, a county duly organized and existing under the Constitution and laws of the State.

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

"Defeasance Obligations" means (i) cash and (ii) Federal Securities.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.11.

"Depository System Participant" means any participant in the Depository's book-entry system.

"Dissolution Act" means Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code.

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

"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, (iv) any commingled investment fund in which the 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, or (v) the investment is the Local Agency Investment Fund of the State of California but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States, as certified in writing by the Agency to the Trustee.

"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 unconditionally 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 former Redevelopment Agency of the City of Torrance, a public body corporate and politic duly organized and existing under the Community Redevelopment Law and dissolved in accordance with the Dissolution Act.

"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;
- (b) does not have any substantial interest, direct or indirect, with the Successor Agency; and
- (c) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

"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 issuance of tax allocation refunding bonds or otherwise with respect to the financing of redevelopment projects;

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

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

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

"Information Services" means "EMMA" or the "Electronic Municipal Market Access" system of the Municipal Securities Rulemaking Board; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the Successor Agency may designate in a Written Certificate of the Successor Agency delivered to the Trustee.

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

"Interest Payment Date" means March 1 and September 1 of each year, commencing March 1, 2019, so long as any of the Bonds remain Outstanding hereunder.

"Irrevocable Refunding Instructions" means the Irrevocable Refunding Instructions (Downtown Redevelopment Project) relating to the defeasance and refunding of the Outstanding Downtown Bonds, given by the Successor Agency to The Bank of New York Mellon Trust Company, N.A., as the trustee for the Outstanding Downtown Bonds.

"Law" means the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code, together with the Dissolution Act, and the acts amendatory thereof and supplemental thereto.

"Maximum Annual Debt Service" means, as of the date of calculation, the largest Annual Debt Service for the current or any future Bond Year, including payments on any Parity Debt, as certified in writing by the Successor Agency to the Trustee.

"Nominee" means (a) initially, Cede & Co., as nominee of DTC, and (b) any other nominee of the Depository designated pursuant to Section 2.11(a).

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

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

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

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

"Outstanding Downtown Bonds" has the meaning given that term in the recitals of this Indenture.

"Oversight Board" means the Oversight Board for the Successor Agency, duly constituted from time to time pursuant to Section 34179 of the California Health and Safety Code.

"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 bonds, notes or other obligations that are payable from and secured by a lien on Tax Revenues that is on parity with the lien under this Indenture.

"Parity Debt Instrument" means any resolution, indenture of trust, loan agreement, trust agreement or other instrument authorizing the issuance of any Parity Debt, including, without limitation, a Supplemental Indenture authorized by Section 7.01(e).

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

"Pass-Through Agreements" means that certain Agreement for Allocation of Tax Increment Funds (Amendment No. 1 to the Torrance Downtown Redevelopment Project) dated as of April 4, 1991, among the City, the Former Agency and the County of Los Angeles, as amended from time to time, such agreement having been entered into by the Former Agency pursuant to Section 33401 of the Law.

"Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein (provided that the Trustee shall be entitled to conclusively rely upon any investment direction from the Agency as conclusive certification to the Trustee that the investments described therein are so authorized under the laws of the State), but only to the extent that the same are acquired at Fair Market Value and otherwise comply with the Successor Agency's investment policies at the time such Permitted Investment is acquired, provided that the Trustee shall be entitled to rely upon any investment directions from the Agency as conclusive certification to the Trustee that investments described therein are in compliance with the Successor Agency's investment policy then in effect:

- (a) Cash;
- (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America;
- (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America;
- (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as

custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated;

(e) Federal Housing Administration debentures;

(f) the following listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

(i) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);

(ii) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes;

(iii) Federal Home Loan Banks (FHL Banks) consolidated debt obligations; and

(iv) Federal National Mortgage Association (FNMA) senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);

(g) unsecured certificates of deposit, time deposits, and bankers' acceptances or other similar bank deposit products (having maturities of not more than 365 days) of any bank (which may include the Trustee and its affiliates) the short-term obligations of which are rated "A-1+" or better by S&P and "Prime-1" by Moody's;

(h) deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation, in banks which have capital and surplus of at least \$15 million;

(i) commercial paper (having original maturities of not more than 270 days) rated at the time of purchase "A-1+" by S&P and "Prime-1" by Moody's;

(j) money market funds (including funds 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) rated "Aam" or "AAm-G" by S&P, or better and if rated by Moody's rated "Aa2" or better;

(k) "State Obligations", which means:

(i) direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of such state, subdivision or agency and which is rated at least "Aa" by Moody's and at least "AA" by S&P;

(ii) direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated "A-1+" by S&P and "MIG-1" by Moody's; and

(iii) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state or state agency described in (b) above and rated "AA-" or better by S&P and "Aa3" or better by Moody's;

(l) pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(i) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(ii) the municipal obligations are secured by cash or U.S. Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(iii) the principal of and interest on the U.S. Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification Report");

(iv) the cash or U.S. Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(v) no substitution of a U.S. Treasury Obligation shall be permitted except with another U.S. Treasury Obligation and upon delivery of a new Verification Report; and

(vi) the cash or U.S. Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent;

(m) repurchase agreements with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "AA-" by S&P and "Aa3" Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "AA-" by S&P and "Aa3" by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated at least "AA-" by S&P and "Aa3" by Moody's;

(n) investment agreements with a domestic or foreign bank or corporation the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's; and

(o) the Local Agency Investment Fund which 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.

"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 principal corporate trust office that the Trustee may designate in writing to the Successor Agency from time to time as the corporate trust office for purposes of this Indenture.

"Project Area" means the project area described in the Redevelopment Plan.

"Qualified Reserve Account Credit Instrument" means (i) the 2018 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, provided that all of the following requirements are met at the time of acceptance thereof by the Trustee: (a) at the time of issuance of the letter of credit, insurance policy or surety bond, S&P or Moody's have assigned a long-term credit rating to such bank or insurance company or the instrument, as applicable, of at least "AA" or "Aa"; (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 Reserve Requirement or, if such letter of credit, insurance policy or surety bond is being provided with respect to only a portion of the Reserve Requirement, such letter of credit, insurance policy or surety bond has a stated amount at least equal to that portion of the Reserve Requirement 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 the schedule by that name prepared in accordance with the requirements of Section 34177(l) 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 established and held by the Successor Agency pursuant to Section 34170.5(a) of the California Health and Safety Code.

"Redevelopment Plan" means the Redevelopment Plan for the City of Downtown Redevelopment Project, as adopted on July 10, 1979, by Ordinance No. 2912, and as amended by Ordinance No. 3325, adopted May 7, 1991, and Ordinance No. 3444, adopted November 25, 1997. **[discuss any subsequent redevelopment plan amendments]**

"Redevelopment Property Tax Trust Fund" means the fund established pursuant to Section 34170.5(b) of the California Health and Safety Code and administered by the City of Torrance.

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

"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(d).

"Reserve Requirement" means, with respect to the 2018 Bonds, the lesser of (i) 10% of the original aggregate principal amount of the 2018 Bonds (if there is more than a de minimis amount of original issue discount or premium (as defined in the Code), the issue price shall be used instead of principal amount) or (ii) 125% of the average Annual Debt Service with respect to the 2018 Bonds or (iii) Maximum Annual Debt Service with respect to the 2018 Bonds. **[discuss: The Successor Agency will meet the Reserve Requirement in connection with the issuance of the 2018 Bonds by depositing the 2018 Reserve Policy in the Reserve Account.]**

"S&P" means Standard & Poor's Ratings Services and its successors.

"Securities Depositories" means DTC and, 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.

"Semiannual Period" means (a) each six-month period beginning on January 1 of any calendar year and ending on June 30 of such calendar year, and (b) each six-month period beginning on July 1 of any calendar year and ending on December 31 of such calendar year.

"State" means the State of California.

"Subordinate Debt" means any loan, advances or indebtedness issued or incurred by the Successor Agency, which are either: (a) payable from, but not secured by a pledge of or lien upon, the Tax Revenues, including revenue bonds and other debts and obligations scheduled for payment pursuant to Section 34183(a)(2) of the Law; or (b) secured by a pledge of or lien upon the Tax Revenues which is subordinate to the pledge of and lien upon the Tax Revenues hereunder for the security of the Bonds and payable on the same dates as the Bonds.

"Successor Agency" means the Successor Agency to the Redevelopment Agency of the City of Torrance, a public entity duly organized and existing under the Law.

"Supplemental Indenture" means any resolution, agreement or other instrument that 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.

"Tax Revenues" means, for each Fiscal Year, all moneys derived from that portion of taxes levied upon assessable property within the Project Area deposited from time to time in the Redevelopment Property Tax Trust Fund, as provided in paragraph (2) of subdivision (a) of Section 34183 of the Law, excluding amounts if any, payable by the Successor Agency pursuant to Sections 33676, 33607.5, 33607.7 and 34183(a)(1) of the Law, including amounts payable under the Pass-Through Agreements, except to the extent that such amounts are payable on a basis subordinate to the payment of Annual Debt Service on the 2018 Bonds or any Parity Debt pursuant to Sections 33607.5(e) and 34177.5(c) of the Law or pursuant to the terms of the Pass-Through Agreements, as applicable.

"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.

"2018 Bonds" means the Successor Agency to the Redevelopment Agency of the City of Torrance (Downtown Redevelopment Project) 2018 Tax Allocation Refunding Bonds .

"2018 Reserve Insurer" means _____, and its successors and assigns, as issuer of the 2018 Reserve Policy.

"2018 Reserve Policy" means the municipal bond debt service reserve insurance policy relating to the 2018 Bonds issued by the 2018 Reserve Insurer.

"Written Request of the Successor Agency" or "Written Certificate of the Successor Agency" means a request or certificate, in writing signed by the City Manager of the City of Torrance or the Finance Director of the City of Torrance or his or her designee, or by any other officer of the Successor Agency duly authorized by the Governing Board of the Successor Agency for that purpose.

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 2018 Bonds. The 2018 Bonds in the aggregate principal amount of _____ Dollars (\$_____) are hereby authorized to be issued by the Successor Agency under and subject to the terms of this Indenture, the Law and the Refunding Law. This Indenture constitutes a continuing agreement with the Owners of all of the Bonds, including the 2018 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, including the 2018 Bonds, which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained.

The 2018 Bonds shall be issued as one series designated the "Successor Agency to the Redevelopment Agency of the City of Torrance (Downtown Redevelopment Project) 2018 Tax Allocation Refunding Bonds".

Section 2.02. Terms of 2018 Bonds. The 2018 Bonds shall be dated as of the Closing Date, and shall be issued in fully registered form without coupons in Authorized Denominations. The 2018 Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rate per annum as follows:

Maturity Date (September 1)	Principal Amount	Interest Rate Per Annum
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Interest on the 2018 Bonds (including the final interest payment upon maturity or earlier redemption) shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date, to such Owner at the address of such Owner as it appears on the Registration Books as of such Record Date; provided however, that payment of interest may be by wire transfer to an account in the United

States of America to any registered owner of 2018 Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee prior to the applicable Record Date. Principal of and redemption premium (if any) on any 2018 Bond shall be paid upon presentation and surrender thereof, at maturity, at the Principal Corporate Trust Office of the Trustee. Both the principal of and interest and premium (if any) on the 2018 Bonds shall be payable in lawful money of the United States of America.

Each 2018 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) a 2018 Bond is authenticated on or before the first Record Date, in which event it shall bear interest from the Closing Date; *provided, however*, that if, as of the date of authentication of any 2018 Bond, interest thereon is in default, such 2018 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 2.03. Redemption of 2018 Bonds.

[discuss: The 2018 Bonds are not subject to redemption prior to maturity.]

Section 2.04. Form of 2018 Bonds. The 2018 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 2018 Bonds. The 2018 Bonds shall be executed on behalf of the Successor Agency by the signature of the City Manager of the City, as chief executive officer of the Successor Agency, who is in office on the date of execution and delivery of this Indenture or at any time thereafter. Such signature may be made manually or may be affixed by facsimile thereof. The 2018 Bonds shall be attested by the manual or facsimile of the Secretary of the Governing Board of the Successor Agency. If any officer whose signature appears on any 2018 Bond ceases to be such officer before delivery of the 2018 Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the 2018 Bonds to the purchaser. Any 2018 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 2018 Bond shall be the proper officers of the Successor Agency although on the date of such 2018 Bond any such person shall not have been such officer of the Successor Agency.

Only such of the 2018 Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore set forth, manually executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such Certificate shall be conclusive evidence that such 2018 Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture. In the event temporary 2018 Bonds are issued pursuant to Section 2.09 hereof, the temporary 2018 Bonds may bear thereon a Certificate of Authentication executed and dated by the Trustee, shall be initially registered by the Trustee, and, until so exchanged as provided under Section 2.09 hereof, the temporary 2018 Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive 2018 Bonds authenticated and delivered hereunder.

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 or Bonds shall be surrendered for registration of transfer, the Successor Agency shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds, of like series, interest rate, maturity and principal amount of Authorized Denomination. The Trustee shall collect from the Owner any tax or other governmental charge on the transfer of any Bonds pursuant to this Section 2.06. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Successor Agency.

The Trustee may refuse to transfer, under the provisions of this Section 2.06, either (a) any Bonds during the period fifteen (15) days prior to the date established by the Trustee for the selection of Bonds for redemption, or (b) any Bonds selected by the Trustee for redemption.

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

The Trustee may refuse to transfer, under the provisions of this Section 2.07, 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.

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

Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Successor Agency, at the expense of the Owner of such Bond, shall execute, and the Trustee shall thereupon 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 Successor Agency and the Trustee and, if such evidence be satisfactory to both and indemnity satisfactory to them shall be given, the Successor Agency, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like 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 2.10 and of the expenses which may be incurred by the Successor Agency and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Successor Agency whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued pursuant to this Indenture.

Section 2.11. Book-Entry 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 Bond Owner 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 Bond Owner 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 Bond Owner 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 Bond Owners. 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.

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF 2018 BONDS

Section 3.01. Issuance of 2018 Bonds. Upon the execution and delivery of this Indenture, the Successor Agency shall issue and deliver 2018 Bonds to the Trustee in the aggregate principal amount of \$_____ and the Trustee shall authenticate and deliver the 2018 Bonds upon the Written Request of the Successor Agency.

Section 3.02. Application of Proceeds of Sale and Certain Other Amounts. On the Closing Date the proceeds of sale of the 2018 Bonds shall be paid by the underwriter to the Trustee in the amount of \$_____, which is equal to the purchase price of the 2018 Bonds of \$_____ (being the aggregate principal amount of the 2018 Bonds, less an original issue discount in the amount of \$_____, less an underwriter's discount in the amount of \$_____) **[discuss: , less (ii) the premium for the 2018 Reserve Policy in the amount of \$_____, which shall be paid directly by the Underwriter to the 2018 Reserve Insurer.]** The Trustee shall deposit the proceeds in a Bond Proceeds Fund, which is hereby established (and shall be closed upon application of the moneys as set forth below), and shall apply the proceeds as follows:

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

(b) The Trustee shall transfer the remaining moneys to The Bank of New York Mellon Trust Company, N.A., for application as set forth in the Irrevocable Refunding Instructions.

In addition, the Trustee shall credit the 2018 Reserve Policy to the Reserve Account.

Section 3.03. Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Costs of Issuance Fund Fund", which shall be held by the Trustee in trust. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date which is six (6) months following the Closing Date, or upon the earlier Written Request of the Successor Agency, all amounts (if any) remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Interest Account of the Debt Service Fund, and the Trustee shall close the Costs of Issuance Fund.

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

Section 4.01. Security of Bonds; Equal Security. Except as provided in Section 6.06, the Bonds and any Parity Debt shall be equally secured by a pledge of, security interest in and lien on all of the Tax Revenues, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund and a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account and the Principal Account,

without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. The Bonds shall be also equally secured by the pledge and lien created with respect to the Bonds by Section 34177.5(g) of the Law on the Tax Revenues deposited from time to time in the Redevelopment Property Tax Trust Fund. Except for the Tax Revenues and such moneys, and except as provided herein, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest on the Bonds.

In addition, the 2018 Bonds shall be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys and the 2018 Reserve Policy in the Reserve Account established by Section 4.03(d).

In consideration of the acceptance of the 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 Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

Section 4.02. Redevelopment Obligation Retirement Fund; Deposit of Tax Revenues. The Successor Agency has heretofore established the Redevelopment Obligation Retirement Fund pursuant to Section 34170.5(a) of the Law which the Successor Agency shall continue to hold and maintain so long as any of the Bonds are Outstanding.

In accordance with Section 5.08 hereof, the Successor Agency shall deposit all Tax Revenues into the Redevelopment Obligation Retirement Fund promptly upon receipt thereof. All Tax Revenues received by the Successor Agency in excess of amounts required herein or as additionally required pursuant to a Supplemental Indenture or Parity Debt Instrument, and except as may be provided to the contrary in any Parity Debt Instrument, shall be released from the pledge and lien hereunder and shall be applied in accordance with the Law, 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, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Redevelopment Obligation Retirement Fund, except as may be provided in this Indenture and in any Supplemental Indenture.

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. Concurrently with transfers with respect to Parity Debt pursuant to Parity Debt Instruments, moneys in the Redevelopment Obligation Retirement 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:

(a) Interest Account. On or before the fifth (5th) Business Day preceding each Interest Payment Date, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement 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 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.

(b) Principal Account. On or before the fifth (5th) Business Day preceding each September 1 on which the principal of the Bonds becomes due and payable, and at maturity, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then on deposit in the Principal Account, will be equal to the amount of principal coming due and payable on such date on the Bonds. No such 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 September 1 on all of the Outstanding Bonds and any Parity Debt. 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 and any Parity Debt as it shall become due and payable.

(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 payable by the Successor Agency pursuant to this Section 4.03, which shall be held by the Trustee in trust for the benefit of the Owners of the 2018 Bonds. The Reserve Requirement for the 2018 Bonds will be satisfied by the delivery of the 2018 Reserve Policy by the 2018 Reserve Insurer on the Closing Date with respect to the 2018 Bonds. The Successor Agency will have no obligation to replace the 2018 Reserve Policy or to fund the Reserve Account with cash if, at any time that the 2018 Bonds are Outstanding, amounts are not available under the 2018 Reserve Policy.

All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers 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 2018 Bonds then Outstanding.

The Trustee shall comply with the terms of the 2018 Reserve Policy and the provisions set forth in Exhibit C as shall be required to receive payments thereunder in the event and to the extent required under this subsection (c).

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 and 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 covenants that it will not issue any bonds, notes, or other obligations that are payable from or secured by a lien on Tax Revenues that is superior to the lien under this Indenture. The Successor Agency may issue Parity Debt to refund all or a portion of the Outstanding Bonds provided that with respect to any such refunding (i) debt service on such Parity Debt, as applicable, is lower than debt service on the obligations being refunded during the remaining period the obligations would otherwise be outstanding (ii) the final maturity of any such Parity Debt does not exceed the final maturity of the obligations being refunded, (iii) the interest rate on the Parity Debt shall be fixed on the date of issuance of the Parity Debt, and (iv) principal payments shall be on September 1 and interest payments on September 1 and March 1. Nothing herein shall prevent the Successor Agency from issuing Subordinate Debt.

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 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 at all times keep, or cause to be kept, proper and current books and accounts in which accurate entries are made of the financial transactions and records of the Successor Agency. Within one hundred eighty (180) days after the close of each Fiscal Year an Independent Certified Public Accountant shall prepare an audit of the financial transactions and records of the Successor Agency for such Fiscal Year. To the extent permitted by law, such audit may be included within the annual audited financial statements of the City. The Successor Agency shall furnish a copy

of such financial statements to any Owner upon reasonable request of such Owner and at the expense of such Owner. The Trustee shall have no duty to review such audits.

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 the 2018 Bonds, the 2018 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. Compliance with the Law; Recognized Obligation Payment Schedules.

(a) The Successor Agency shall comply with all of the requirements of the Law.

(b) Pursuant to Section 34177 of the Law, not later than each date a Recognized Obligation Payment Schedule is due, the Successor Agency shall submit to the Oversight Board and the State Department of Finance, a Recognized Obligation Payment Schedule. The Successor Agency shall take all actions required under the Law to include in the Recognized Obligation Payment Schedule for each Semiannual Period debt service on the Bonds, so as to enable the Los Angeles County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund on each January 2 and June 1, as applicable, amounts required to enable the Successor Agency to pay timely principal of (including any mandatory sinking fund redemption amount), and interest on, the Bonds on a timely basis, as such amounts of debt service are set forth in the Recognized Obligation Payment Schedule attached hereto as Exhibit B and hereby made a part hereof, or as such Schedule may be hereafter amended.

(c) The Successor Agency shall apply Tax Revenues received in the Bond Year beginning September 2, 2018 to pay debt service on the 2018 Bonds on March 1, 2019 and September 1, 2019.

(d) Not later than February 1, 2019 and each February 1 thereafter (or at such earlier time or other 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 Los Angeles County Auditor-Controller that shall include (a) for distribution on the immediately succeeding June 1, interest on all Outstanding Bonds due on the immediately succeeding September 1 plus 50% of principal (including any mandatory sinking fund redemption amount) due on the Outstanding Bonds on such September 1, which amounts shall distributed to the Successor Agency, and (b) for distribution on the immediately succeeding January 2, interest on all Outstanding Bonds due on the immediately succeeding March 1 plus 50% of principal (including any mandatory sinking fund redemption amount) due on all Outstanding Bonds on the immediately succeeding September 1.

(e) In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2018 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 Bonds 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 debt service due during each Bond Year on all Outstanding Bonds prior to March 1 of such Bond Year, and (ii) the remainder of debt service due during such Bond Year on all Outstanding Bonds prior to the next succeeding September 1.

Section 5.09. Dissolution Act Invalid; Maintenance of Tax Revenues. In the event that the applicable property tax revenues provisions of the Dissolution Act are determined by a court in a final judicial decision to be invalid and, in place of the invalid provisions, provisions of the Law or the equivalent become applicable to the Bonds, the Successor Agency shall comply with all requirements of the Law or the equivalent to ensure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and, in the case of amounts payable by the State, appropriate officials of the State.

Section 5.10. 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 an Event of Default hereunder. However, any holder or beneficial owner of the 2018 Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section 5.10.

Section 5.11. 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 5.12. No Arbitrage. The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the 2018 Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the 2018 Bonds would have caused the 2018 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 5.13. Private Activity Bond Limitation. The Successor Agency shall assure that the proceeds of the 2018 Bonds are not so used as to cause the 2018 Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

Section 5.14. Federal Guarantee Prohibition. The Successor Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the 2018 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 5.15. Rebate Requirement. The Successor Agency shall take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds.

Section 5.16. Maintenance of Tax-Exemption. The Successor Agency shall take all actions necessary to assure the exclusion of interest on the 2018 Bonds from the gross income of the Owners of the 2018 Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the 2018 Bonds.

Section 5.17. Provisions Relating to the Reserve Policy. So long as the 2018 Reserve Policy remains in effect and notwithstanding anything herein to the contrary, the Successor Agency and the Trustee shall comply with all of the terms and provisions set forth in Exhibit C relating to the 2018 Reserve Insurer and the 2018 Reserve Policy as if such provisions were set forth directly in this Indenture.

ARTICLE VI
THE TRUSTEE

Section 6.01. Duties, Immunities and Liabilities of Trustee.

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

(b) The Successor Agency may remove the Trustee at any time, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time the Successor Agency has knowledge that the Trustee shall cease to be eligible in accordance with subsection (e) 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 at least 30 days' written notice of such removal by the Successor Agency to the Trustee, whereupon the Successor Agency shall appoint a successor Trustee by an instrument in writing.

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

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within 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 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 mail a notice of the succession of such Trustee to the trusts hereunder to the Owners at their respective addresses shown on the Registration Books. If the Successor Agency fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Successor Agency.

(e) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a financial institution having a corporate 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 \$75,000,000, and subject to supervision or examination by federal or state authority. 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 (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

The Successor Agency will maintain a Trustee which is qualified under the provisions of the foregoing provisions of this subsection (e), so long as any Bonds are Outstanding.

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 (e) 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 intentional misconduct. 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 for any error of judgment made by a responsible employee or officer, unless the Trustee shall have been negligent in ascertaining the pertinent facts.

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

(d) The Trustee shall not be liable for any action taken by it 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 intentional misconduct of the Trustee. The permissive right of the Trustee to do things enumerated hereunder shall not be construed as a mandatory duty.

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until 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 Tax Revenues into the Redevelopment Obligation Retirement Fund and the investment and application of moneys on deposit in the Redevelopment Obligation Retirement Fund (other than its covenants to transfer such moneys to the Trustee when due hereunder).

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.

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.

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.

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.

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

The Trustee will not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to any project refinanced with the proceeds of the Bonds, malicious mischief, condemnation, and unusually severe weather and/or occurrences beyond the control of the Trustee.

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 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 the 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.

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

Section 6.04. Right to Rely on Documents and Opinions. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion or other paper or document believed by it to be genuine and to have been signed or 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, in the absence of negligence or intentional misconduct by the Trustee, the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

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

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

Section 6.05. 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 the Successor Agency and any Owner, and their agents and representatives duly authorized in writing, during regular business hours and under reasonable conditions.

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

duties under this Indenture. The Trustee shall have a first lien on the Tax Revenues and all funds and accounts held by the Trustee hereunder to secure the payment to the Trustee of all fees, costs and expenses, including reasonable compensation to its experts, attorneys and counsel (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel).

The Successor Agency further covenants and agrees to indemnify, defend and save the Trustee and its officers, directors, agents and employees, harmless from and against any loss, expense and liabilities, including legal fees and expenses, which it may incur 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 intentional misconduct of the Trustee, its officers, directors, agents or employees. 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 Account 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. In the absence of any such Written Request of the Successor Agency, the Trustee shall hold such moneys uninvested. The Trustee shall be entitled to rely conclusively upon the written instructions of the Successor Agency directing investments in Permitted Investments as to the fact that each such investment is permitted by the laws of the State, and shall not be required to make further investigation with respect thereto. Moneys in the Redevelopment Obligation Retirement 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. 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 pursuant to this Section.

The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Successor Agency periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

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.

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 the 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 has no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Successor Agency in any Written Certificate or Written Request of the Successor Agency. Trustee shall be deemed to have complied with such valuation through use of its automated pricing service as reflected on its trust accounting statements.

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 of the Trustee 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, at least monthly, 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. Appointment of Co-Trustee or Agent. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate co-trustee. The following provisions of this Section 6.09 are adopted to these ends.

In the event that the Trustee shall appoint an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them; provided, however, in no event shall the Trustee be responsible or liable for the acts or omissions of any co-trustee.

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

Section 6.10. Other Transactions with Successor Agency. The Trustee, either as principal or agent, may engaged 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 and without the consent of any Owners, to the extent permitted by law and 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, 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 amend the Recognized Obligation Debt Service Payment Schedule set forth in Exhibit B to reflect the issuance of Parity Debt or to take into account the redemption of any Bond prior to its maturity;

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

(e) to provide for the issuance of Parity Debt pursuant to a Supplemental Indenture, as such issuance is authorized by Section 5.02.

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 with the consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premium, (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, 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 addition, the Trustee shall be entitled to an opinion of counsel concerning the Supplemental Indenture's lack of any material adverse effect on the Owners.

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 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 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.

Section 7.05. Trustee's Reliance. The Trustee may conclusively rely, and is protected in relying, upon a Written Certificate of the Successor Agency and an opinion of Bond Counsel stating that all requirements of this Indenture relating to the amendment or modification hereof have been satisfied and that such amendments or modifications do not materially adversely affect the interests of the Bond Owners.

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 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 or any Parity Debt Instrument contained, other than a default described in the preceding clause (a), and such default shall have continued for a period of sixty (60) days following receipt by the Successor Agency of written notice from the Trustee or any Owner of the occurrence of such default, provided that if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within such 60 day period, such failure will not constitute an event of default if corrective action is instituted by the Successor Agency within such 60 day period and the Successor Agency thereafter diligently and in good faith cures such failure in a reasonable period of time;

(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 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, 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

If an Event of Default has occurred and is continuing, the Trustee may, or, if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding the Trustee shall, (a) with respect to Events of Default pursuant to 8.01(a) or (c), 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 (b) the Trustee shall, subject to the provisions of Section 8.06, exercise any other remedies available to the Trustee and the Bond Owners in law or at equity.

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

extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

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

Section 8.02. Application of Funds Upon Acceleration. All of the 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 several Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

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

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

Third, to the payment of all amounts due and owing to the 2018 Reserve Insurer hereunder.

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 Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 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 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 Tax Revenues and other amounts pledged hereunder, the principal of and interest 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.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee, the 2018 Reserve Insurer 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, the 2018 Reserve Insurer and the Owners.

Section 9.02. 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 9.03. Defeasance of Bonds. 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 on all or the applicable portion of Outstanding Bonds, as and when the same become due and payable; or

(ii) by irrevocably depositing with the Trustee, in trust or an escrow holder, in escrow, 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 a portion of Outstanding Bonds, including all principal and interest, or;

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

(iv) by purchasing such Bonds prior to maturity and tendering such Bonds to the Trustee for cancellation;

then, at the election of the Successor Agency, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Tax Revenues and other funds provided for in this Indenture 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, from the amounts so deposited with the Trustee, all sums due

thereon and to pay the Trustee all fees, expenses and costs of the Trustee. 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 for deposit in the Redevelopment Obligation Retirement Fund.

Section 9.04. 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 their attorneys appointed in writing.

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

The ownership of Bonds and the amount, maturity, number and date of ownership thereof shall be 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 9.05. 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 9.06. 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 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 9.07. 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 9.08. 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 telegram, addressed as follows:

If to the Successor Agency: Successor Agency to the Redevelopment
Agency of the City of Torrance
3031 Torrance Blvd.
Torrance, CA 90503
Attention: City Manager

If to the Trustee: The Bank of New York Mellon Trust
Company, N.A.
[address to come]
Attention: Global Corporate Trust Services
Reference: Successor Agency to the
Redevelopment Agency of
the City of Torrance

If to the 2018 Reserve Insurer: As provided in Exhibit C hereto

Section 9.09. 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 Treasurer of the County of Los Angeles, on behalf 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 Treasurer 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 9.10. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and

premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the Successor Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the Successor Agency for the payment of the principal of and interest and redemption premium (if any) on of such Bonds.

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

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

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

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF TORRANCE**

By: _____
City Manager
City of Torrance

ATTEST:

City Clerk
City of Torrance

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

By: _____
Authorized Officer

EXHIBIT A

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF TORRANCE

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF
TORRANCE
(DOWNTOWN REDEVELOPMENT PROJECT)
2018 TAX ALLOCATION REFUNDING BOND

INTEREST RATE:MATURITY DATE:
SEPTEMBER 1,DATED DATE:
_____, 2018CUSIP:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

The SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE, a public entity, duly created and existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth (15th) day of the month immediately preceding an Interest Payment Date (the "Record Date"), in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before February 15, 2019, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on March 1 and September 1 in each year, commencing March 1, 2019 (each an "Interest Payment Date"), calculated on the basis of 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, as trustee (the "Trustee"), or at such other place as designated by the Trustee (the "Corporate Trust Office"). Interest hereon (including the final interest payment upon maturity or earlier redemption hereof) is payable by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date to the Registered Owner hereof at

the Registered Owner's address as it appears on the registration books maintained by the Trustee as of the Record Date for which such Interest Payment Date occurs; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of Bonds in the aggregate principal amount of \$1,000,000 or more upon written instructions of any such registered owner filed with the Trustee for that purpose prior to the Record Date preceding the applicable Interest Payment Date.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as "Successor Agency to the Redevelopment Agency of the City of Torrance (Downtown Redevelopment Project) 2018 Tax Allocation Refunding Bonds" (the "Bonds"), in 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, redemption and other provisions) and all issued pursuant to the provisions of Section 34177.5 of the Health and Safety Code of the State of California and 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 of California (the "Refunding Law") and pursuant to an Indenture of Trust, dated as of _____ 1, 2018, entered into by and between the Successor Agency and the Trustee (the "Indenture"), authorizing the issuance of the Bonds. Additional bonds or other obligations may also be issued on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Law (as defined in the Indenture) and the Refunding Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Successor Agency for the purpose of providing funds to refund its Outstanding Downtown Bonds (as defined in the Indenture), to provide for a debt service reserve fund and to pay certain expenses of the Successor Agency in issuing the Bonds.

There has been created under the Law the Redevelopment Obligation Retirement Fund (as defined in the Indenture) into which Tax Revenues shall be deposited 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. As and to the extent set forth in the Indenture, all such Tax Revenues are exclusively and irrevocably pledged to and constitute a trust fund, in accordance with the terms hereof and the provisions of the Indenture and the Law, for the security and payment or redemption of, including any premium upon early redemption, and for the security and payment of interest on, the Bonds. In addition, the Bonds shall be additionally secured at all times by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Redevelopment Obligation Retirement Fund, the Debt Service Fund, the Interest Account, the Principal Account and the Reserve Account (as such terms are defined in the Indenture). Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium, if any, on the Bonds.

The Bonds are not subject to redemption prior to maturity.

If 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 Authorized Denominations (as defined in the Indenture). Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Bonds may be exchanged for a like aggregate principal amount of Bonds of other Authorized Denominations and of the same maturity.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Corporate Trust Office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new fully registered Bond or Bonds, of any Authorized Denominations, for the same aggregate principal amount and of the same 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 premium (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the registered owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee.

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 of the County of Los Angeles, the State of California, or any of its political subdivisions, and neither said County, 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 of the Successor Agency. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

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

have happened or have been performed in due and regular time and manner as required by the Law, the Refunding 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, the Refunding Law or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

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

IN WITNESS WHEREOF, the Successor Agency to the Redevelopment Agency of the City of Torrance has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its chief administrative officer and attested by the Secretary of the Governing Board, as of the Dated Date set forth above.

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF TORRANCE

By: _____
City Manager
City of Torrance

ATTEST:

City Clerk
City of Torrance

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

Authentication Date: _____

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

By: _____
Authorized Signatory

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or Tax Regulations:

TEN COM --	as tenants in common	UNIF GIFT MIN ACT _____ Custodian _____
TEN ENT --	as tenants by the entireties	(Cust.) (Minor)
JT TEN --	as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act _____ (State)
COMM PROP --	as community property	

ADDITIONAL ABBREVIATIONS MAY ALSO BE USED
THOUGH NOT IN THE LIST ABOVE

(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**DEBT SERVICE PAYMENT SCHEDULE**

Period Ending	Principal	Interest	Total Debt Service
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Total

EXHIBIT C

**PROVISIONS RELATING TO
THE 2018 RESERVE POLICY
AND THE
2018 RESERVE INSURER**

5-28-18 Jones Hall Draft**IRREVOCABLE REFUNDING INSTRUCTIONS
(Torrance Industrial Redevelopment Project)**

These IRREVOCABLE REFUNDING INSTRUCTIONS (TORRANCE INDUSTRIAL REDEVELOPMENT PROJECT) (these "Instructions"), dated _____, 2018, are given by the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE, a public entity, duly organized and existing under the laws of the State of California (the "Successor Agency"), to THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, acting as trustee for the hereinafter defined Outstanding Industrial Bonds (the "Refunded Bonds Trustee");

WITNESSETH:

WHEREAS, the former Redevelopment Agency of the City of Torrance (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 the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the "Community Redevelopment Law");

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, Section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the Successor Agency has become the successor entity to the Former Agency;

WHEREAS, prior to dissolution of the Former Agency, for the purpose of financing redevelopment activities of the Former Agency, the Former Agency issued, among other bonds, the following outstanding bonds (the "Outstanding Industrial Bonds"):

(i) \$12,770,000 aggregate principal amount of Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project) Tax Allocation Subordinate Lien Refunding Bonds, 1998 Series B (Uninsured) (the "1998 Series B Bonds"), pursuant to an Indenture of Trust, dated as of July 1, 1998 (the "1998 Series B Bonds Indenture"), by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Refunded Bonds Trustee");

(ii) \$18,500,000 aggregate principal amount of Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project) Tax Allocation Senior Lien Forward Refunding Bonds, 1999 Series C (Insured) (the "1999 Series C Bonds"), pursuant to an Indenture of Trust, dated as of July 1, 1998, by and between the Former Agency and the Refunded Bonds Trustee, as successor trustee (the "1999 Series C Bonds Indenture");

WHEREAS, Section 34177.5 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 purpose of achieving debt service savings within the parameters set forth in said Section 34177.5(a);

WHEREAS, the Successor Agency has determined to defease and redeem the Outstanding Industrial Bonds;

WHEREAS, pursuant to its Resolution No. _____ adopted on _____, 2018, the Successor Agency has determined that it will achieve debt service savings within the debt service savings parameters set forth in said Section 34177.5(a) by the issuance pursuant to the Law and the Refunding Law of its \$_____ aggregate principal amount of Successor Agency to the Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project) 2018 Tax Allocation Refunding Bonds (the "2018 Refunding Bonds") pursuant to an Indenture of Trust, dated as of _____ 1, 2018, between the Successor Agency and The Bank of New York Mellon Trust Company, N.A. (the "2017 Refunding Bonds Trustee"), to provide funds to refund all of the Outstanding Industrial Bonds;

WHEREAS, the Successor Agency desires to give these Instructions to the Refunded Bonds Trustee for the purpose of providing the terms and conditions relating to the deposit and application of moneys to provide for the payment and redemption of all of the Outstanding Industrial Bonds pursuant to Section 2.03(a) of the 1998 Series B Bonds Indenture and Section 2.03(a) of the 1998 Series C Bonds Indenture;

NOW, THEREFORE, the Successor Agency hereby irrevocably instructs the Refunded Bonds Trustee as follows:

Section 1. Debt Service Fund.

(a) 1998 Series B Bonds. Pursuant to Section 4.03 of the Outstanding Industrial Bonds Indenture, there has heretofore been established an account held by the Refunded Bonds Trustee known as the "Debt Service Fund" (the "1998 Series B Bonds Debt Service Fund"), and within the 1998 Series B Bonds Debt Service Fund an Interest Account and Redemption Account. All cash and securities deposited in or transferred to the 1998 Series B Bonds Debt Service Fund and the Interest Account and the Redemption Account therein pursuant to these Instructions are hereby irrevocably pledged as a special trust fund for the redemption of all of the outstanding 1998 Series B Bonds on _____, 2018, in accordance with the 1998 Series B Bonds Indenture. The Refunded Bonds Trustee shall have no lien upon or right of set off against the securities and cash at any time on deposit in the 1998 Series B Bonds Debt Service Fund or the accounts therein, and such amounts shall be applied only as provided herein.

(b) 1999 Series C Bonds. Pursuant to Section 4.03 of the Outstanding Industrial Bonds Indenture, there has heretofore been established an account held by the Refunded Bonds Trustee known as the "Debt Service Fund" (the "1999 Series C Bonds Debt Service Fund"), and within the 1999 Series C Bonds Debt Service Fund an Interest Account and Redemption Account. All cash and securities deposited in or transferred to the 1999 Series C Bonds Debt Service Fund and the Interest Account and the Redemption Account therein pursuant to these Instructions are hereby irrevocably pledged as a special trust fund for the redemption of all of the outstanding 1999 Series C Bonds on _____, 2018, in accordance with the 1999 Series C Bonds Indenture. The Refunded Bonds Trustee shall have no lien upon or right of set off against the securities and cash at any time on deposit in the 1999 Series C Bonds Debt Service Fund or the accounts therein, and such amounts shall be applied only as provided herein.

Section 2. Deposit and Transfer into 1998 Series B Debt Service Fund, 1999 Series C Debt Service Fund and the Interest Accounts and Redemption Accounts therein; Investment of Amounts.

(a) 1998 Series B Bonds. Concurrently with delivery of the 2018 Refunding Bonds, the Successor Agency shall cause to be transferred to the Refunded Bonds Trustee the amount of \$_____ in immediately available funds to be derived from a portion of the proceeds of sale of the 2018 Refunding Bonds, which amount the Refunded Bonds Trustee shall then deposit in the Interest Account for the 1998 Series B Bonds in the amount of \$_____ and the Redemption Account for the 1998 Series B Bonds in the amount of \$_____. Concurrently, the Refunded Bonds Trustee will transfer \$_____ from the Reserve Account for the 1998 Series B Bonds, to the Redemption Account for the 1998 Series B Bonds. The Refunded Bonds Trustee shall hold all amounts deposited in the Interest Account and Redemption Account for the 1998 Series B Bonds in cash, uninvested, pursuant to these Instructions.

The Successor Agency confirms that by making the deposits described herein, it is discharging all of the outstanding 1998 Series B Bonds pursuant to Section 9.03 of the 1998 Series B Bonds Indenture.

(b) 1999 Series C Bonds. Concurrently with delivery of the 2018 Refunding Bonds, the Successor Agency shall cause to be transferred to the Refunded Bonds Trustee the amount of \$_____ in immediately available funds to be derived from a portion of the proceeds of sale of the 2018 Refunding Bonds, which amount the Refunded Bonds Trustee shall then deposit in the Interest Account for the 1999 Series C Bonds in the amount of \$_____ and the Redemption Account for the 1999 Series C Bonds in the amount of \$_____. Concurrently, the Refunded Bonds Trustee will transfer \$_____ from the Reserve Account for the 1999 Series C Bonds, to the Redemption Account for the 1999 Series C Bonds. The Refunded Bonds Trustee shall hold all amounts deposited in the Interest Account and Redemption Account for the 1999 Series C Bonds in cash, uninvested, pursuant to these Instructions.

The Successor Agency confirms that by making the deposits described herein, it is discharging all of the outstanding 1999 Series C Bonds pursuant to Section 9.03 of the 1999 Series C Bonds Indenture.

Section 3. Proceedings for Redemption of Outstanding Industrial Bonds.

(a) 1998 Series B Bonds. The Successor Agency hereby irrevocably elects, and directs the Refunded Bonds Trustee, to redeem, on _____, 2018, all of the outstanding 1998 Series B Bonds pursuant to the provisions of Section 2.03(a) of the 1998 Series B Bonds Indenture. The Successor Agency previously instructed the Refunded Bonds Trustee to mail a notice of redemption to the owners of the 1998 Series B Bonds and any insurer of such 1998 Series B Bonds in substantially in the form attached hereto as Exhibit A-1. The Refunded Bonds Trustee is hereby instructed to file on _____, 2018, the notice substantially in the form attached hereto as Exhibit B-1 on the Municipal Securities Rulemaking Board's EMMA System.

(b) 1999 Series C Bonds. The Successor Agency hereby irrevocably elects, and directs the Refunded Bonds Trustee, to redeem, on _____, 2018, all of the outstanding 1999 Series C Bonds pursuant to the provisions of Section 2.03(a) of the 1999 Series C Bonds Indenture. The Successor Agency previously instructed the Refunded Bonds Trustee to mail on _____, 2018, a notice of redemption to the owners of the 1999 Series C Bonds and any insurer of such 1999 Series C Bonds in substantially in the form attached hereto as Exhibit A-2. The

Refunded Bonds Trustee is hereby instructed to file on _____, 2018, the notice substantially in the form attached hereto as Exhibit B-2 on the Municipal Securities Rulemaking Board's EMMA System.

Section 4. Application of Funds to Redeem the Outstanding Industrial Bonds.

(a) **1998 Series B Bonds.** The Refunded Bonds Trustee shall apply the amounts on deposit in the 1998 Series B Bonds Debt Service Fund, including the Interest Account and Redemption Account therein, to redeem all of the outstanding 1998 Series B Bonds on _____, 2018, at a price equal to 100% of the principal amount thereof, plus accrued interest.

(b) **1999 Series C Bonds.** The Refunded Bonds Trustee shall apply the amounts on deposit in the 1999 Series C Bonds Debt Service Fund, including the Interest Account and Redemption Account therein, to redeem all of the outstanding 1999 Series C Bonds on _____, 2018, at a price equal to 100% of the principal amount thereof, plus accrued interest.

Section 5. Transfer of Remaining Funds.

On _____, 2018, following the payment and redemption of the 1998 Series B Bonds and the 1999 Series C Bonds described above, the Refunded Bonds Trustee shall withdraw any amounts remaining on deposit in the 1998 Series B Bonds Debt Service Fund or the 1999 Series C Bonds Debt Service Fund and transfer such amounts to the 2018 Refunding Bonds Trustee for deposit into the Debt Service Fund established under the Indenture for the 2018 Refunding Bonds to be used solely for the purpose of paying interest on the 2018 Refunding Bonds.

Section 6. Amendment. These Instructions shall be irrevocable by the Successor Agency. These Instructions may be amended or supplemented by the Successor Agency, but only if the Successor Agency shall file with the Refunded Bonds Trustee (a) an opinion of nationally recognized bond counsel engaged by the Successor Agency stating that such amendment or supplement will not, of itself, adversely affect the exclusion from gross income of interest represented by the Outstanding Industrial Bonds or the 2018 Refunding Bonds under federal income tax law, and (b) a certification of an independent accountant or independent financial adviser engaged by the Successor Agency stating that such amendment or supplement will not affect the sufficiency of funds invested and held hereunder to make the payments required by Section 4.

Section 7. Governing Law. These Instructions shall be construed in accordance with and governed by the laws of the State of California.

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY
OF TORRANCE**

By: _____
Director of Finance
City of Torrance

ACCEPTED:

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

By: _____
Vice President

ACCEPTED with respect to Section 5:

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
as 2017 Refunding Bonds Trustee

By: _____
Vice President

EXHIBIT A-1
FORM OF NOTICE OF FULL OPTIONAL REDEMPTION
1998 SERIES B BONDS

EXHIBIT A-2
FORM OF NOTICE OF FULL OPTIONAL REDEMPTION
1999 SERIES C BONDS

EXHIBIT B-1
FORM OF NOTICE OF DEFEASANCE
1998 SERIES B BONDS

EXHIBIT B-2
FORM OF NOTICE OF DEFEASANCE
1999 SERIES C BONDS

5-28-18 Jones Hall Draft**IRREVOCABLE REFUNDING INSTRUCTIONS
(Downtown Redevelopment Project)**

These IRREVOCABLE REFUNDING INSTRUCTIONS (DOWNTOWN REDEVELOPMENT PROJECT) (these "Instructions"), dated _____, 2018, are given by the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE, a public entity, duly organized and existing under the laws of the State of California (the "Successor Agency"), to THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, acting as trustee for the hereinafter defined Outstanding Downtown Bonds (the "Refunded Bonds Trustee");

WITNESSETH:

WHEREAS, the former Redevelopment Agency of the City of Torrance (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 the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the "Community Redevelopment Law");

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, Section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the Successor Agency has become the successor entity to the Former Agency;

WHEREAS, prior to dissolution of the Former Agency, for the purpose of financing redevelopment activities of the Former Agency, the Former Agency issued, among other bonds, its \$8,500,000 aggregate principal amount of Redevelopment Agency of the City of Torrance (Downtown Redevelopment Project) Tax Allocation Refunding Bonds, 1998 Series A (the "Outstanding Downtown Bonds") pursuant to an Indenture of Trust, dated as of July 15, 1998 (the "Outstanding Downtown Bonds Indenture"), by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Refunded Bonds Trustee");

WHEREAS, Section 34177.5 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 purpose of achieving debt service savings within the parameters set forth in said Section 34177.5(a);

WHEREAS, the Successor Agency has determined to defease and redeem the Outstanding Downtown Bonds;

WHEREAS, pursuant to its Resolution No. _____ adopted on _____, 2018, the Successor Agency has determined that it will achieve debt service savings within the debt service savings parameters set forth in said Section 34177.5(a) by the issuance pursuant to the Law and the Refunding Law of its \$_____ aggregate principal amount of Successor Agency to the Redevelopment Agency of the City of Torrance (Downtown Redevelopment Project) 2018 Tax Allocation Refunding Bonds (the "2018 Refunding Bonds") pursuant to an

Indenture of Trust, dated as of _____ 1, 2018, between the Successor Agency and The Bank of New York Mellon Trust Company, N.A. (the "2017 Refunding Bonds Trustee"), to provide funds to refund all of the Outstanding Downtown Bonds;

WHEREAS, the Successor Agency desires to give these Instructions to the Refunded Bonds Trustee for the purpose of providing the terms and conditions relating to the deposit and application of moneys to provide for the payment and redemption of all of the Outstanding Downtown Bonds pursuant to Section 2.03(a) of the Outstanding Downtown Bonds Indenture;

NOW, THEREFORE, the Successor Agency hereby irrevocably instructs the Refunded Bonds Trustee as follows:

Section 1. Debt Service Fund. Pursuant to Section 4.03 of the Outstanding Downtown Bonds Indenture, there has heretofore been established an account held by the Refunded Bonds Trustee known as the "Debt Service Fund" (the "Outstanding Downtown Bonds Debt Service Fund"), and within the Outstanding Downtown Bonds Debt Service Fund an Interest Account and Redemption Account. All cash and securities deposited in or transferred to the Outstanding Downtown Bonds Debt Service Fund and the Interest Account and the Redemption Account therein pursuant to these Instructions are hereby irrevocably pledged as a special trust fund for the redemption of all of the Outstanding Downtown Bonds on _____, 2018, in accordance with the Outstanding Downtown Bonds Indenture. The Refunded Bonds Trustee shall have no lien upon or right of set off against the securities and cash at any time on deposit in the Outstanding Downtown Bonds Debt Service Fund or the accounts therein, and such amounts shall be applied only as provided herein.

Section 2. Deposit and Transfer into Outstanding Downtown Bonds Service Fund and the Interest Account and Redemption Account therein; Investment of Amounts. Concurrently with delivery of the 2018 Refunding Bonds, the Successor Agency shall cause to be transferred to the Refunded Bonds Trustee the amount of \$_____ in immediately available funds to be derived from a portion of the proceeds of sale of the 2018 Refunding Bonds, which amount the Refunded Bonds Trustee shall then deposit in the Interest Account for the Outstanding Downtown Bonds in the amount of \$_____ and the Redemption Account for the Outstanding Downtown Bonds in the amount of \$_____. Concurrently, the Refunded Bonds Trustee will transfer \$_____ from the Reserve Account for the Outstanding Downtown Bonds, to the Redemption Account for the Outstanding Downtown Bonds. The Refunded Bonds Trustee shall hold all amounts deposited in the Interest Account and Redemption Account for the Outstanding Downtown Bonds in cash, uninvested, pursuant to these Instructions.

The Successor Agency confirms that by making the deposits described herein, it is discharging all of the outstanding Outstanding Downtown Bonds pursuant to Section 9.03 of the Outstanding Downtown Bonds Indenture.

Section 3. Proceedings for Redemption of Outstanding Downtown Bonds. The Successor Agency hereby irrevocably elects, and directs the Refunded Bonds Trustee, to redeem, on _____, 2018, all of the outstanding Outstanding Downtown Bonds pursuant to the provisions of Section 2.03(a) of the Outstanding Downtown Bonds Indenture. The Successor Agency previously instructed the Refunded Bonds Trustee to mail a notice of redemption to the owners of the Outstanding Downtown Bonds and any insurer of such Outstanding Downtown Bonds in substantially in the form attached hereto as Exhibit A. The Refunded Bonds Trustee is

hereby instructed to file on _____, 2018, the notice substantially in the form attached hereto as Exhibit B on the Municipal Securities Rulemaking Board's EMMA System.

Section 4. Application of Funds to Redeem the Outstanding Downtown Bonds. The Refunded Bonds Trustee shall apply the amounts on deposit in the Outstanding Downtown Bonds Debt Service Fund, including the Interest Account and Redemption Account therein, to redeem all of the outstanding Outstanding Downtown Bonds on _____, 2018, at a price equal to 100% of the principal amount thereof, plus accrued interest.

Section 5. Transfer of Remaining Funds. On _____, 2018, following the payment and redemption of the Outstanding Downtown Bonds, the Refunded Bonds Trustee shall withdraw any amounts remaining on deposit in the Outstanding Downtown Debt Service Fund and transfer such amounts to the 2018 Refunding Bonds Trustee for deposit into the Debt Service Fund established under the Indenture for the 2018 Refunding Bonds to be used solely for the purpose of paying interest on the 2018 Refunding Bonds.

Section 6. Amendment. These Instructions shall be irrevocable by the Successor Agency. These Instructions may be amended or supplemented by the Successor Agency, but only if the Successor Agency shall file with the Refunded Bonds Trustee (a) an opinion of nationally recognized bond counsel engaged by the Successor Agency stating that such amendment or supplement will not, of itself, adversely affect the exclusion from gross income of interest represented by the Outstanding Downtown Bonds or the 2018 Refunding Bonds under federal income tax law, and (b) a certification of an independent accountant or independent financial adviser engaged by the Successor Agency stating that such amendment or supplement will not affect the sufficiency of funds invested and held hereunder to make the payments required by Section 4.

Section 7. Governing Law. These Instructions shall be construed in accordance with and governed by the laws of the State of California.

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY
OF TORRANCE**

By: _____
Director of Finance
City of Torrance

ACCEPTED:

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

By: _____
Vice President

ACCEPTED with respect to Section 5:

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
as 2017 Refunding Bonds Trustee

By: _____
Vice President

EXHIBIT A
FORM OF NOTICE OF FULL OPTIONAL REDEMPTION

EXHIBIT B
FORM OF NOTICE OF DEFEASANCE

\$ _____

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE
(Torrance Industrial Redevelopment Project)
2018 Tax Allocation Refunding Bonds**

PURCHASE AGREEMENT

_____, 2018

Successor Agency to the
Redevelopment Agency of the City of Torrance
3031 Torrance Boulevard
Torrance, California 90503

Ladies and Gentlemen:

The undersigned, Morgan Stanley & Co. LLC (the “Underwriter”), acting in its capacity as a principal and not as an agent or fiduciary, offers to enter into this purchase agreement (the “Purchase Agreement”) with the Successor Agency to the Redevelopment Agency of the City of Torrance (the “Agency”), which will be binding upon the Agency and the Underwriter upon the acceptance hereof by the Agency. This offer is made subject to its acceptance by the Agency by execution of this Purchase Agreement and its delivery to the Underwriter on or before 5:00 p.m., California time, on the date hereof. All terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Indenture (as hereinafter defined).

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Agency hereby agrees to sell to the Underwriter, and the Underwriter hereby agrees to purchase from the Agency, all (but not less than all) of the \$_____ aggregate principal amount of the Successor Agency to the Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project) 2018 Tax Allocation Refunding Bonds (the “Bonds”), at a purchase price equal to \$_____ (being the aggregate principal amount thereof [plus] [minus] a [net] original issue [premium] [discount] of \$_____ and less an Underwriter’s discount of \$_____). In addition, on behalf of the Agency, the Underwriter shall wire the amount of \$_____ to the Insurer (defined below) to pay the costs of the premiums for the Policy (defined below) and the Surety Bond (defined below).

The Agency acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the 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); (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Agency with respect to the offering

contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Agency on other matters); and (iv) the Agency has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

2. Description of the Bonds. The Bonds shall be issued and sold to the Underwriter pursuant to an Indenture of Trust, dated as of _____ 1, 2018 (the “Indenture”), by and between the Agency and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), the Constitution and the laws of the State of California, including Article 11 (commencing with Section 53580 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Bond Law”) and Parts 1.8 and 1.85 of Division 24 of the Health and Safety Code of the State of California (as amended from time to time, the “Dissolution Act”), a resolution of the Agency adopted on _____, 2018 (the “Agency Resolution”), a resolution of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Torrance (the “Oversight Board”) adopted on _____, 2018 (the “Oversight Board Resolution”), and a supplemental resolution of the Agency adopted on _____, 2018 (the “Agency Supplemental Resolution,” and together with the Agency Resolution, the “Agency Resolutions”).

The Bonds shall be as described in the Indenture and the Official Statement, as defined herein, relating to the Bonds. The Bonds are being issued to refinance all of the outstanding: (i) Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project) Tax Allocation Subordinate Lien Refunding Bonds, 1998 Series B (Uninsured) (the “1998 Bonds”), and (ii) Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project) Tax Allocation Senior Lien Forward Refunding Bonds, 1999 Series C (Insured) (the “1999 Bonds”), both series of which were issued by the Redevelopment Agency of the City of Torrance (the “Former Agency”). In connection with such refunding, the Agency, as successor to the Former Agency, will execute one or more Irrevocable Refunding Instructions (the “Irrevocable Refunding Instructions”) to The Bank of New York Mellon Trust Company, N.A., as trustee for the 1998 Bonds and the 1999 Bonds, to refund such bonds in accordance with the terms thereof.

The Bonds identified on Exhibit A hereto as “Insured Bonds” shall be insured under a municipal bond insurance policy (the “Policy”) from _____ (the “Insurer”). A debt reserve surety bond (the “Surety Bond”) shall also be purchased from the Insurer for the Bonds.

3. Public Offering and Establishment of Issue Price.

(a) The Underwriter agrees to make a bona fide public offering of all of the Bonds initially at the public offering prices (or yields) set forth in Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth in Exhibit A. The Bonds will be offered and sold to certain dealers at prices lower than such initial offering prices. The Bonds shall be subject to redemption as set forth in Appendix A.

(b) The Underwriter agrees to assist the Agency in establishing the issue price of the Bonds and shall execute and deliver to the 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 Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Agency and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the Public of the Bonds. All actions to be taken by the Agency under this section to establish the issue price of the Bonds may be taken on behalf of the Agency by the Agency’s municipal advisor, NHA Advisors (the “Municipal Advisor”) and any notice or report to be provided to the Agency may be provided to the Agency’s Municipal Advisor.

(c) Except for the maturities set forth in Schedule A attached hereto, the Agency will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test).

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

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

The Underwriter shall promptly advise the Agency or the Agency’s Municipal Advisor when the Underwriter has sold 10% of that maturity of the Bonds to the public at [a price] that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The Agency acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on in the event that the Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Agency further acknowledges that the Underwriter shall be solely liable for

its failure to comply with its agreement regarding the hold the offering price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(e) The Underwriter confirms that (i) each retail distribution agreement (to which the Underwriter is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the related pricing wires, and (ii) the Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(1) “public” means any person other than an underwriter or a related party,

(2) “underwriter” means (A) any person that agrees pursuant to a written contract with the Agency (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) 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), (ii) 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 (iii) 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

(4) “sale date” means the date of execution of this Purchase Agreement by all parties.

4. Delivery of Official Statement. The Agency has delivered or caused to be delivered to the Underwriter prior to the execution of this Purchase Agreement or the first offering of the Bonds, whichever first occurs, copies of the Preliminary Official Statement relating to the Bonds (the “Preliminary Official Statement”). Such Preliminary Official

Statement is the official statement deemed final by the Agency for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “Rule”), and approved for distribution by resolution of the Agency.

The Agency hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the earlier of: (i) the business day preceding the Closing Date (as defined herein); or (ii) the seventh (7th) business day following the date of this Purchase Agreement: (A) the form of the Official Statement relating to the Bonds in “designated electronic format” (as defined in Municipal Securities Rule Making Board (“MSRB”) Rule G-32; and (B) copies of the Official Statement relating to the Bonds, dated the date hereof, in the form of the Preliminary Official Statement, with such changes thereto, as may be approved by the Underwriter (including the appendices thereto and any amendments or supplements approved by the Agency and the Underwriter, the “Official Statement”), in such quantity as the Underwriter shall reasonably request. The Agency hereby approves of the distribution and use by the Underwriter of the Official Statement in connection with the offer and sale of the Bonds. The Underwriter agrees that it will not confirm the sale of any Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the final Official Statement. The Underwriter agrees to deliver a copy of the final Official Statement to the MSRB through the Electronic Municipal Marketplace Access website of the MSRB, currently maintained on the Internet at <http://emma.msrb.org/>, on or before the Closing Date, and the Underwriter agrees to comply with the requirements of MSRB Rule G-32 for delivery of a copy of the final Official Statement, upon request of any customer who purchases a Bond, and otherwise to comply with all applicable statutes and regulations in connection with the sale of the Bonds.

5. The Closing. At 8:30 a.m., California time, on _____, 2018 (the “Closing Date”), or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Agency and the Underwriter, the Agency will deliver: (i) the Bonds in book-entry form through the facilities of The Depository Trust Company (“DTC”), New York, New York, duly executed; and (ii) the closing documents hereinafter mentioned at the offices of Jones Hall, A Professional Law Corporation (“Bond Counsel”), in San Francisco, California, or another place to be mutually agreed upon by the Agency and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by federal wire transfer to the order of the Trustee on behalf of the Agency. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the “Closing.”

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

(a) Due Organization, Existence and Authority. The Agency is a public entity validly existing under the laws of the State of California (the “State”) with full right, power and authority to adopt the Agency Resolutions, to issue the Bonds and to execute, deliver and perform its obligations under the Bonds, this Purchase Agreement, the Indenture, the Irrevocable Refunding Instructions and the Continuing Disclosure Certificate relating to the Bonds, dated as of the Closing Date (the “Continuing Disclosure Agreement”) (collectively, the “Agency

Documents”) and to carry out and consummate the transactions contemplated by the Agency Documents and the Official Statement.

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

(c) Official Statement, Accurate and Complete. The Preliminary Official Statement was as of its date, and the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement do not contain and up to and including the Closing will not contain a misstatement of any material fact and do not, and up to and including the Closing will not omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading (except that this representation does not include information relating to The Depository Trust Company, the book-entry only system, the Insurer, the Policy, the Surety Bond, CUSIP, prices and yields for the Bonds and any other information provided by the Underwriter, as to which no view is expressed).

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

(e) No Breach or Default. As of the time of acceptance hereof and as of the time of the Closing, except as otherwise disclosed in the Official Statement, the Agency is not and will not be in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Agency is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach or default has or may have a material adverse effect on the Agency’s performance of its obligations under the

Agency Documents; and, as of such times, except as disclosed in the Official Statement, the authorization, execution and delivery of the Agency Documents, and compliance with the provisions of each of such agreements or instruments do not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance agreement or other to which the Agency (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Agency Documents.

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

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

(h) End of Underwriting Period. Until the date which is twenty-five (25) days after the "end of the underwriting period" (as hereinafter defined), if any event shall occur of which the Agency is aware, as a result of which it may be necessary to supplement the Official Statement in order to make the statements in the Official Statement, in light of the circumstances existing at such time, not misleading, the Agency shall forthwith notify the Underwriter of any such event of which it has knowledge and shall cooperate fully in furnishing any information available to it for any supplement to the Official Statement necessary, in the Underwriter's opinion, so that the statements therein as so supplemented will not be misleading in light of the circumstances existing at such time, and the Agency shall promptly furnish to the Underwriter a

reasonable number of copies of such supplement. As used herein, the term “end of the underwriting period” means the later of such time as: (i) the Agency delivers the Bonds to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the “end of the underwriting period” shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the Agency at or prior to the Closing Date and shall specify a date (other than the Closing Date) to be deemed the “end of the underwriting period.”

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

(j) Prior Continuing Disclosure Undertaking. Except as disclosed in the Official Statement, neither the Agency nor the City of Torrance or its other affiliated entities has failed to comply in any material respect with any prior continuing disclosure undertaking within the past five years.

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

7. Closing Conditions. The Underwriter has entered into this Purchase Agreement in reliance upon the representations, warranties and covenants herein and the performance by the Agency of its obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriter’s obligations under this Purchase Agreement to purchase and pay for the Bonds shall be subject to the following additional conditions:

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

(b) Executed Agreements and Performance Thereunder. At the time of the Closing: (i) the Agency Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the written consent of the Underwriter; and (ii) there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated by the Official Statement and the Agency Documents.

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

(i) the marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State of California, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation by the staff of either such Committee, or by the staff of the Joint Committee on taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or state authority affecting the federal or state tax status of the Agency, or the interest on bonds or notes (including the Bonds); or

(ii) there shall exist any event which in the reasonable opinion of the Underwriter either: (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement; or (ii) is not reflected in the Official Statement but should be reflected therein to make the statements and information contained therein not misleading in any material respect; or

(iii) there shall have occurred any new outbreak of hostilities or other national or international calamity or crisis or the escalation of any such outbreak, calamity or crisis, the effect of such outbreak, calamity, crisis or escalation on the financial markets of the United States being such as would make it impracticable, in the reasonable opinion of the Underwriter, for the Underwriter to sell the Bonds; or

(iv) there shall be in force a general suspension of trading on the New York Stock Exchange or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of a determination by that Exchange or by orders of the Securities and Exchange Commission or any other governmental authority; or

(v) a general banking moratorium shall have been declared by either Federal, California or New York authorities having jurisdiction and be in force; or

(vi) there shall be established any new restrictions on transactions in securities materially affecting the free market for securities (including the imposition of any limitations on interest rates) or the extension of credit by, or the change to the net capital requirements of, underwriters established by the New York Stock Exchange, the Securities and Exchange Commission, any other Federal or state agency or the Congress of the United States, or by Executive Order; or

(vii) an adverse event has occurred affecting the financial condition or operation of the Agency which, in the reasonable opinion of the Underwriter, requires or has required a supplement or amendment to the Official Statement; or

(viii) any rating of the securities of the Agency shall have been downgraded, suspended or withdrawn by a national rating service, or there shall have been any official statement by a national rating service as to a possible downgrading (such as being placed on “credit watch” or “negative outlook” or any similar qualification), in either case which, in the Underwriter’s reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(ix) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(x) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the authentication, delivery, offering or sale of obligations of the general character of the Bonds, or the authentication, delivery, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(xi) the commencement of any action, suit or proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the best knowledge of the Agency after due investigation, threatened: (i) in any way questioning the corporate existence of the Agency or the titles of the officers of the Agency to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the authentication or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds, the Agency Documents or the consummation of the transactions contemplated thereby or contesting the powers of the Agency to enter into the Agency Documents; (iii) which, except as described in the Official Statement, may result in any material adverse change to the financial condition of the Agency or to its ability to pay debt service on the Bonds when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, which, in the reasonable judgment of the Underwriter, materially adversely affects the market price of the Bonds.

(d) Closing Documents. At or prior to the Closing, the Underwriter shall receive with respect to the Bonds (unless the context otherwise indicates) the following documents; provided that the acceptance of the Bonds by the Underwriter on the Closing Date shall conclusively evidence the satisfaction of the requirements of this subsection (d) or the waiver by the Underwriter of any discrepancies in documents which are not in strict conformity with the requirements of this subsection (d):

(i) *Bond Opinion*. An approving opinion of Bond Counsel dated the date of the Closing and substantially in the form appended to the Official Statement, together with a letter from such counsel, dated the date of the Closing and addressed to the Underwriter, to the effect that the approving opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to them;

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

(A) The Purchase Agreement has been duly authorized, executed and delivered by the Agency and is a valid and binding agreement of the Agency;

(B) The statements contained in the Official Statement pertaining to the Bonds under the captions [“INTRODUCTION,” “THE BONDS,” “SECURITY FOR THE BONDS,” “TAX MATTERS,” “APPENDIX A — SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” and “APPENDIX B — FORM OF OPINION OF BOND COUNSEL”] excluding any financial, statistical or numerical information, any information regarding the book-entry system, any material that may be treated as included under such captions and appendices by cross-reference, insofar as such statements expressly summarize certain provisions of the Bonds, the Indenture, the Irrevocable Refunding Instructions, and such counsel's final opinion concerning certain federal tax matters relating to the Bonds, are accurate in all material respects;

(C) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification as an indenture under the Trust Indenture Act of 1939, as amended; and

(D) The 1998 Bonds and the 1999 Bonds are no longer outstanding and have been legally defeased in accordance with the provisions of the document pursuant to which they were issued.

(iii) *Oversight Board Documents*.

(A) A certified copy of the resolution of the Oversight Board approving the issuance of the Bonds by the Agency; and

(B) A certificate of the Clerk to the Oversight Board to the effect that such resolution is in full force and effect and has not been modified, amended, rescinded or repealed since the date of its adoption;

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

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

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

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

(D) The information in the Official Statement (excluding therefrom financial statements and other statistical data included in the Official Statement and the information relating to DTC and its book-entry only system; prices, yields and any information provided by the Underwriter; and the information relating to the reserve fund surety bonds and the municipal bond insurer contained therein, as to which such counsel expresses no view) does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(E) Except as otherwise disclosed in the Official Statement and to the best knowledge of such counsel after due inquiry, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental agency or body, pending and notice of which has been accomplished or threatened against the Agency, challenging the creation, organization or existence of the Agency, or the validity of the Agency Documents or seeking to restrain or enjoin the repayment of the Bonds or in any way contesting or affecting the validity of the Agency Documents or contesting the authority of the Agency to enter into or perform its obligations under any of the Agency Documents, or which, in any manner, questions the right of the Agency to use the tax increment for repayment of the Bonds or affects in any manner the right or ability of the Agency to collect or pledge the tax increment from the Project Area (as defined in the Official Statement) or the Project Area's plan limits as described in the Official Statement;

(v) *Disclosure Counsel Letter.* A letter, dated the Closing Date and addressed to the Underwriter and the Agency, of Jones Hall, A Professional Law Corporation,

Disclosure Counsel, to the effect that Disclosure Counsel is not passing upon and has not undertaken to determine independently or to verify the accuracy or completeness of the statements contained in the Official Statement, and is, therefore, unable to make any representation to the Underwriter in that regard, but on the basis of its participation in conferences with representatives of the Agency, the Financial Advisor, representatives of the Underwriter and others, during which conferences the content of the Official Statement and related matters were discussed, and its examination of certain documents, and, in reliance thereon and based on the information made available to it in its role as Disclosure Counsel and its understanding of applicable law, Disclosure Counsel advises the Underwriter as a matter of fact, but not opinion, that no information has come to the attention of the attorneys in the firm working on such matter which has led them to believe that the Official Statement (excluding therefrom the financial and statistical data, forecasts, charts, numbers, estimates, projections, assumptions and expressions of opinion included in the Official Statement, information regarding DTC and its book entry system, any information regarding the Insurer, the Policy and the Surety Bond, or any information in any appendix thereto, as to all of which no opinion is expressed) as of its date and as of the Closing Date contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and advising the Underwriter that, other than reviewing the various certificates and opinions required by this Purchase Agreement regarding the Official Statement, Disclosure Counsel has not taken any steps since the date of the Official Statement to verify the accuracy of the statements contained in the Official Statement;

(vi) *Underwriter's Counsel Opinion.* An opinion of Stradling Yocca Carlson & Rauth, A Professional Corporation, as counsel to the Underwriter, dated the Closing Date and addressed to the Underwriter, to the effect that, based on the information made available to it in its role as counsel to the Underwriter, without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, but on the basis of their participation in conferences with the Underwriter, Bond Counsel, the Agency, legal counsel to the Agency and others, and their examination of certain documents, no information has come to the attention of the attorneys in the firm rendering legal services in connection with the issuance of the Bonds which would lead them to believe that the Preliminary Official Statement or the Official Statement as of their respective dates and as of the Closing Date contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to the Appendices to the Preliminary Official Statement or the Official Statement; financial, engineering, and demographic data or statistical forecasts, projections, estimates, assumptions and expressions of opinions; information about the book-entry only system, DTC, the Insurer, the Policy or the Surety Bond; and statements relating to the treatment of the Bonds or the interest, discount or premium related thereto for tax purposes under the law of any jurisdiction contained in the Preliminary Official Statement or the Official Statement);

(vii) *Trustee Counsel Opinion.* The opinion of counsel to the Trustee, dated the date of the Closing, addressed to the Underwriter, in form and substance satisfactory to the Underwriter and to Bond Counsel;

(viii) *Agency Certificate.* A certificate of the Agency, dated the date of the Closing, signed on behalf of the Agency by the Executive Director or other duly authorized officer of the Agency to the following effect:

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

(B) No event affecting the Agency has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ix) *Trustee's Certificate.* A certificate of the Trustee, dated the date of Closing, addressed to the Agency and the Underwriter, in form and substance acceptable to the Underwriter and to Bond Counsel;

(x) *Fiscal Consultant's Certificate.* A certificate of HdL Coren & Cone, dated the date of the Closing, addressed to the Agency and the Underwriter, in form and substance acceptable to the Underwriter, certifying as to the accuracy of [APPENDIX C—“FISCAL CONSULTANT'S REPORT”] and the information in the Official Statement under the caption [“THE PROJECT AREA”], consenting to the inclusion of such firm's Fiscal Consultant Report in the Preliminary Official Statement and the Official Statement, and stating that to the best of such firm's knowledge, but without having conducted any investigation with respect thereto, nothing has come to such firm's attention between the date of such report and the date hereof which would materially alter any of the conclusions set forth in such report;

(xi) *Documents.*

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

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

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

(D) A tax certificate or certificates with respect to maintaining the tax-exempt status of the Bonds, duly executed by the Agency;

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

(F) A certified copy of the redevelopment plans for the Project Area's original component areas;

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

(xiii) A report of _____, in form and substance satisfactory to the Underwriter and Bond Counsel as to the sufficiency of the escrow fund to defease the 1998 Bonds and the 1999 Bonds;

(xiv) The executed Policy of the Insurer insuring the scheduled payment of principal of and interest on the Bonds, substantially in the form attached as [Appendix H] to the Official Statement;

(xv) The executed Surety Bond issued by the Insurer, in form and substance satisfactory to the Underwriter;

(xvi) An opinion of counsel to the Insurer, dated as of the date of Closing, addressed to the Underwriter and the Agency in form and substance acceptable to the Underwriter, substantially to the effect that: (i) the Insurer has been duly incorporated and is validly existing and in good standing under the laws of the State of its incorporation; (ii) the Policy and the Surety Bond constitute the legal, valid and binding obligations of the Insurer enforceable in accordance with their respective terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization, rehabilitation and other similar laws of general applicability relating to or affecting creditors' and/or claimants' rights against insurance companies and to general equity principles; and (iii) the information contained in the Official Statement under the caption ["MUNICIPAL BOND INSURANCE"] does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(xvii) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the Closing Date, of the representations contained herein and in the Official Statement and the due performance or satisfaction by the Trustee and the Agency at or prior to such time of all agreements then to be performed and all conditions then to be satisfied in connection with the delivery and sale of the Bonds.

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

8. Expenses. Except as provided in this Section 8, the Agency will pay or cause to be paid the expenses incident to the performance of its obligations hereunder and certain

expenses relating to the sale of the Bonds, including, but not limited to, (a) the cost of the preparation and printing or other reproduction of the Agency Documents (other than this Purchase Agreement); (b) the fees and disbursements of Bond Counsel, the Municipal Advisor and any other experts or other consultants retained by the Agency; (c) the costs and fees of the credit rating agencies; (d) the cost of preparing and delivering the definitive Bonds; (e) the cost of providing immediately available funds on the Closing Date; (f) the cost of the printing or other reproduction of the Preliminary Official Statement and Official Statement and any amendment or supplement thereto, including a reasonable number of certified or conformed copies thereof; (g) the cost of continuing disclosure compliance review; (h) the Underwriter's out-of-pocket expenses (included in the expense component of the Underwriter's discount) incurred by Underwriter which are incidental to implementing this Purchase Agreement, including, but not limited to meals, transportation and lodging of those employees; and (i) the cost of the premium for the purchase of the Policy.

The Underwriter will pay the expenses of the preparation of this Purchase Agreement and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including advertising expenses, CDIAC fees, CUSIP services bureau charges, regulatory fees imposed on new security issues, and fee and disbursements of Underwriter's Counsel.

9. Notice. Any notice or other communication to be given to the Agency under this Purchase Agreement may be given by delivering the same in writing to such entity at the address set forth above. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Morgan Stanley & Co. LLC, 555 California Street, 21st Floor, San Francisco, California 94104, Attention: John Sheldon.

10. Entire Agreement. This Purchase Agreement, when accepted by the Agency, shall constitute the entire agreement among the Agency and the Underwriter and is made solely for the benefit of the Agency and the Underwriter (including the successors or assigns of the Underwriter). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein. All of the Agency's representations, warranties and agreements in this Purchase Agreement shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter, until the earlier of: (i) delivery of and payment for the Bonds hereunder; and (ii) any termination of this Purchase Agreement.

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

12. 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.

13. State of California Law Governs. The validity, interpretation and performance of this Purchase Agreement shall be governed by the laws of California.

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

MORGAN STANLEY & CO. LLC,

By: _____
Its: Authorized Officer

Accepted as of the date first stated above:

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF TORRANCE

By: _____
Its: Finance Director

APPENDIX A

MATURITY SCHEDULE

<i>Maturity Date (September 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>10% Test Used</i>	<i>Hold the Offering Price Used</i>
	\$	%	%			

* Insured Bonds

Optional Redemption. The Bonds maturing on or before September 1, 20__, shall not be subject to optional redemption prior to their stated maturity dates. The Bonds maturing on or

after September 1, 20__ shall be subject to redemption prior to their stated maturity dates as a whole or in part among such maturities as shall be determined by the Agency and by lot within each maturity, at the option of the Agency on any date on or after September 1, 20__, from funds derived by the Agency from any source, at a redemption price equal to 100 percent of the principal amount of the Bonds called for redemption, plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption of Bonds. The Bonds maturing on September 1, 20__, and September 1, 20__, shall be subject to redemption prior to their stated maturity, in part by lot, from sinking fund payments set aside in the Principal Account pursuant to the Indenture (as amended), at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium, according to the following schedule:

Bonds Maturing September 1, 20__

<i>Year (September 1)</i>	<i>Principal Amount to be Redeemed</i>
	\$

(maturity)

Bonds Maturing September 1, 20__

<i>Year (September 1)</i>	<i>Principal Amount to be Redeemed</i>
	\$

(maturity)

APPENDIX B**CERTIFICATE OF THE UNDERWRITER**

with reference to

\$ _____

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE
(Torrance Industrial Redevelopment Project)
2018 Tax Allocation Refunding Bonds**

Dated: _____, 2018

The undersigned Morgan Stanley & Co. LLC (“Morgan Stanley” or “we”) has entered into that certain Purchase Agreement, dated _____, 2018 (the “Purchase Agreement”), with the Successor Agency to the Redevelopment Agency of the City of Torrance (the “Successor Agency”), with respect to the above-referenced bonds (the “2018 Bonds”).

The representations set forth in this Certificate are limited to factual matters only. Nothing in this Certificate represents Morgan Stanley’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations thereunder. Morgan Stanley understands and acknowledges that this Certificate will be attached as an Exhibit to the [Certificate Regarding Compliance with Certain Tax Matters], dated _____, 2018 (the “Tax Certificate”), executed by the Successor Agency. Morgan Stanley understands that this Certificate will be relied upon by the Successor Agency with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the 2018 Bonds, and by Jones Hall, A Professional Law Corporation, 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 Bond Counsel may give to the Agency from time to time relating to the 2018 Bonds.

Morgan Stanley, acting through its authorized representative, hereby certifies and represents the following, based upon the information available to it:

1. Defined Terms.

1.1 “General Rule Maturities” means those Maturities of the 2018 Bonds not indicated as a “Hold-the-Offering-Price Maturity” on Schedule I.

1.2 “Hold-the-Offering-Price Maturity” means those Maturities of the 2018 Bonds indicated In Schedule I as a “Hold-the-Offering-Price Maturity.”

1.3 “Holding Period” means, for each Hold-the-Offering-Price Maturity of the 2018 Bonds, 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 Morgan Stanley has sold at least ten percent of such Maturity to the Public at a price that is no higher than the Initial Offering Price for such Maturity.

1.4 “Maturity” means 2018 Bonds with the same credit and payment terms. 2018 Bonds with different maturity dates, or 2018 Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

1.5 “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.

1.6 “Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity. The Sale Date of the 2018 Bonds is _____, 2018.

1.7 “Underwriter” means (i) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2018 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 2018 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 2018 Bonds to the Public).

2. Sale of 2018 Bonds.

2.1 As of the date of this Certificate, for each Maturity of the 2018 Bonds considered as the “General Rule Maturities,” the first price at which at least ten percent of such Maturity of the 2018 Bonds was sold to the Public is the respective price listed in Schedule I hereto (the “Sale Price” as applicable to each Maturity of the General Rule Maturities).

2.2 ***[Include if applicable:*** On or before the Sale Date, Morgan Stanley offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in the final Official Statement for the 2018 Bonds (the “Initial Offering Prices”). A copy of the pricing wire or equivalent communication for the 2018 Bonds is attached to this Certificate as Schedule II.

2.3 As set forth in the Bond Purchase Agreement, Morgan Stanley has agreed in writing that (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any unsold bonds within 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 would contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement to which Morgan Stanley is a party would 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 the Purchase Agreement, no underwriter has offered or sold any unsold bonds within a 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 2018 Bonds during the Holding Period.]

3. Reserve Requirement.

Based upon our experience in marketing and maintaining a market for obligations having terms and credit arrangements similar to those underlying the 2018 Bonds, the Reserve Requirement contemplated under the Indenture, was a vital factor in the marketing of the 2018 Bonds.

4. Yield.

We have calculated the arbitrage yield with respect to the 2018 Bonds to be _____% in accordance with the following instructions provided by Bond Counsel. Bond Counsel has advised that yield on the 2018 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 2018 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 2018 Bonds listed in Schedule I as described in Section 1.1 above. 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 2018 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.

We have performed the calculations described in above with the express understanding and agreement of Bond Counsel and the Successor Agency that, notwithstanding the performance of these calculations and the delivery of this letter: (i) in doing so we are not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act); (ii) we do not have a fiduciary duty to the Successor Agency, and (iii) we are not to be construed as a “paid preparer” of any tax returns of the Successor Agency, including specifically (but not limited to) Form 8038-G. In performing the calculations described in above, we remind you that we are not accountants or actuaries, nor are we engaged in the practice of law. Accordingly, while we believe the calculations described above to be correct, we do not warrant them to be so, nor do we warrant their validity for purposes of the Code. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be executed by its duly authorized representative on the date first written above.

MORGAN STANLEY & CO. LLC

By: _____
Authorized Representative

Dated: _____, 2018

SCHEDULE I

**SALE PRICES OF THE GENERAL RULE MATURITIES [AND INITIAL OFFERING
PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES]**

(Attached)

**[SCHEDULE II
PRICING WIRE OR EQUIVALENT COMMUNICATION**

(Attached)

§ _____
**SUCCESSOR AGENCY TO THE
 REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE
 (Downtown Redevelopment Project)
 2018 Tax Allocation Refunding Bonds**

PURCHASE AGREEMENT

_____, 2018

Successor Agency to the
 Redevelopment Agency of the City of Torrance
 3031 Torrance Boulevard
 Torrance, California 90503

Ladies and Gentlemen:

The undersigned, Morgan Stanley & Co. LLC (the “Underwriter”), acting in its capacity as a principal and not as an agent or fiduciary, offers to enter into this purchase agreement (the “Purchase Agreement”) with the Successor Agency to the Redevelopment Agency of the City of Torrance (the “Agency”), which will be binding upon the Agency and the Underwriter upon the acceptance hereof by the Agency. This offer is made subject to its acceptance by the Agency by execution of this Purchase Agreement and its delivery to the Underwriter on or before 5:00 p.m., California time, on the date hereof. All terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Indenture (as hereinafter defined).

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Agency hereby agrees to sell to the Underwriter, and the Underwriter hereby agrees to purchase from the Agency, all (but not less than all) of the \$_____ aggregate principal amount of the Successor Agency to the Redevelopment Agency of the City of Torrance (Downtown Redevelopment Project) 2018 Tax Allocation Refunding Bonds (the “Bonds”), at a purchase price equal to \$_____ (being the aggregate principal amount thereof [plus] [minus] a [net] original issue [premium] [discount] of \$_____ and less an Underwriter’s discount of \$_____). In addition, on behalf of the Agency, the Underwriter shall wire the amount of \$_____ to the Insurer (defined below) to pay the costs of the premiums for the Policy (defined below) and the Surety Bond (defined below).

The Agency acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the 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); (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Agency with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Agency on other matters);

and (iv) the Agency has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

2. Description of the Bonds. The Bonds shall be issued and sold to the Underwriter pursuant to an Indenture of Trust, dated as of _____ 1, 2018 (the “Indenture”), by and between the Agency and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), the Constitution and the laws of the State of California, including Article 11 (commencing with Section 53580 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Bond Law”) and Parts 1.8 and 1.85 of Division 24 of the Health and Safety Code of the State of California (as amended from time to time, the “Dissolution Act”), a resolution of the Agency adopted on _____, 2018 (the “Agency Resolution”), a resolution of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Torrance (the “Oversight Board”) adopted on _____, 2018 (the “Oversight Board Resolution”), and a supplemental resolution of the Agency adopted on _____, 2018 (the “Agency Supplemental Resolution,” and together with the Agency Resolution, the “Agency Resolutions”).

The Bonds shall be as described in the Indenture and the Official Statement, as defined herein, relating to the Bonds. The Bonds are being issued to refinance all of the outstanding Redevelopment Agency of the City of Torrance (Downtown Redevelopment Project) Tax Allocation Refunding Bonds, 1998 Series A, issued by the Redevelopment Agency of the City of Torrance (the “Former Agency”) in the original principal amount of \$8,500,000 (the “1998 Bonds”). In connection with such refunding, the Agency, as successor to the Former Agency, will execute Irrevocable Refunding Instructions (the “Irrevocable Refunding Instructions”) to The Bank of New York Mellon Trust Company, N.A., as trustee for the 1998 Bonds, to refund the 1998 Bonds in accordance with the terms thereof.

The Bonds identified on Exhibit A hereto as “Insured Bonds” shall be insured under a municipal bond insurance policy (the “Policy”) from _____ (the “Insurer”). A debt reserve surety bond (the “Surety Bond”) shall also be purchased from the Insurer for the Bonds.

3. Public Offering and Establishment of Issue Price.

(a) The Underwriter agrees to make a bona fide public offering of all of the Bonds initially at the public offering prices (or yields) set forth in Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth in Exhibit A. The Bonds will be offered and sold to certain dealers at prices lower than such initial offering prices. The Bonds shall be subject to redemption as set forth in Appendix A.

(b) The Underwriter agrees to assist the Agency in establishing the issue price of the Bonds and shall execute and deliver to the 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 Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Agency and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the Public of the Bonds. All actions to be taken by the Agency under this section to establish the issue price of the Bonds may be taken on behalf of the Agency by the Agency’s municipal advisor, NHA Advisors (the

“Municipal Advisor”) and any notice or report to be provided to the Agency may be provided to the Agency’s Municipal Advisor.

(c) Except for the maturities set forth in Schedule A attached hereto, the Agency will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test).

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

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

The Underwriter shall promptly advise the Agency or the Agency’s Municipal Advisor when the Underwriter has sold 10% of that maturity of the Bonds to the public at [a price] that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The Agency acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on in the event that the Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Agency further acknowledges that the Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold the offering price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(e) The Underwriter confirms that (i) each retail distribution agreement (to which the Underwriter is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity

have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the related pricing wires, and (ii) the Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(1) “public” means any person other than an underwriter or a related party,

(2) “underwriter” means (A) any person that agrees pursuant to a written contract with the Agency (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) 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), (ii) 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 (iii) 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

(4) “sale date” means the date of execution of this Purchase Agreement by all parties.

4. Delivery of Official Statement. The Agency has delivered or caused to be delivered to the Underwriter prior to the execution of this Purchase Agreement or the first offering of the Bonds, whichever first occurs, copies of the Preliminary Official Statement relating to the Bonds (the “Preliminary Official Statement”). Such Preliminary Official Statement is the official statement deemed final by the Agency for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “Rule”), and approved for distribution by resolution of the Agency.

The Agency hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the earlier of: (i) the business day preceding the Closing Date (as defined herein); or (ii) the seventh (7th) business day following the date of this Purchase Agreement: (A) the form of the Official Statement relating to the Bonds in “designated electronic format” (as defined in Municipal Securities Rule Making Board (“MSRB”) Rule G-32; and (B) copies of the Official Statement relating to the Bonds, dated the date hereof, in the form of the Preliminary Official Statement, with such changes thereto, as may be approved by the Underwriter (including the appendices thereto and any amendments or supplements approved by the Agency and the Underwriter, the “Official Statement”), in such quantity as the Underwriter shall reasonably request. The Agency hereby approves of the distribution and use by the Underwriter of the Official Statement in connection with the offer and sale of the Bonds. The Underwriter agrees that it will not confirm the sale of any Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the

final Official Statement. The Underwriter agrees to deliver a copy of the final Official Statement to the MSRB through the Electronic Municipal Marketplace Access website of the MSRB, currently maintained on the Internet at <http://emma.msrb.org/>, on or before the Closing Date, and the Underwriter agrees to comply with the requirements of MSRB Rule G-32 for delivery of a copy of the final Official Statement, upon request of any customer who purchases a Bond, and otherwise to comply with all applicable statutes and regulations in connection with the sale of the Bonds.

5. The Closing. At 8:30 a.m., California time, on _____, 2018 (the “Closing Date”), or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Agency and the Underwriter, the Agency will deliver: (i) the Bonds in book-entry form through the facilities of The Depository Trust Company (“DTC”), New York, New York, duly executed; and (ii) the closing documents hereinafter mentioned at the offices of Jones Hall, A Professional Law Corporation (“Bond Counsel”), in San Francisco, California, or another place to be mutually agreed upon by the Agency and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by federal wire transfer to the order of the Trustee on behalf of the Agency. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the “Closing.”

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

(a) Due Organization, Existence and Authority. The Agency is a public entity validly existing under the laws of the State of California (the “State”) with full right, power and authority to adopt the Agency Resolutions, to issue the Bonds and to execute, deliver and perform its obligations under the Bonds, this Purchase Agreement, the Indenture, the Irrevocable Refunding Instructions and the Continuing Disclosure Certificate relating to the Bonds, dated as of the Closing Date (the “Continuing Disclosure Agreement”) (collectively, the “Agency Documents”) and to carry out and consummate the transactions contemplated by the Agency Documents and the Official Statement.

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

(c) Official Statement, Accurate and Complete. The Preliminary Official Statement was as of its date, and the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement do not contain and up to and including the Closing will not contain a misstatement of any material fact and do not, and up to

and including the Closing will not omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading (except that this representation does not include information relating to The Depository Trust Company, the book-entry only system, the Insurer, the Policy, the Surety Bond, CUSIP, prices and yields for the Bonds and any other information provided by the Underwriter, as to which no view is expressed).

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

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

(f) No Litigation. As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending and notice of which has been accomplished and received by the Agency or, to the best of the Agency's knowledge, threatened: (i) in any way questioning the corporate existence of the Agency or the titles of the officers of the Agency to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the other Agency Documents or the consummation of the transactions contemplated thereby or hereby, or contesting the exclusion of the interest on the Bonds from taxation or contesting the powers of the Agency or its authority to issue the Bonds; (iii) which may result in any material adverse change relating to the Agency; and

(iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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

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

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

(j) Prior Continuing Disclosure Undertaking. Except as disclosed in the Official Statement, neither the Agency nor the City of Torrance or its other affiliated entities has failed to comply in any material respect with any prior continuing disclosure undertaking within the past five years.

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

7. Closing Conditions. The Underwriter has entered into this Purchase Agreement in reliance upon the representations, warranties and covenants herein and the performance by the Agency of its obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriter’s obligations under this Purchase Agreement to purchase and pay for the Bonds shall be subject to the following additional conditions:

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

(b) Executed Agreements and Performance Thereunder. At the time of the Closing: (i) the Agency Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the written consent of the Underwriter; and (ii) there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated by the Official Statement and the Agency Documents.

(c) Termination Events. The Underwriter shall have the right to terminate the Underwriter's obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds by notifying the Agency of its election to do so if, after the execution hereof and prior to the Closing, any of the following events occurs:

(i) the marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State of California, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation by the staff of either such Committee, or by the staff of the Joint Committee on taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or state authority affecting the federal or state tax status of the Agency, or the interest on bonds or notes (including the Bonds); or

(ii) there shall exist any event which in the reasonable opinion of the Underwriter either: (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement; or (ii) is not reflected in the Official Statement but should be reflected therein to make the statements and information contained therein not misleading in any material respect; or

(iii) there shall have occurred any new outbreak of hostilities or other national or international calamity or crisis or the escalation of any such outbreak, calamity or crisis, the effect of such outbreak, calamity, crisis or escalation on the financial markets of the United States being such as would make it impracticable, in the reasonable opinion of the Underwriter, for the Underwriter to sell the Bonds; or

(iv) there shall be in force a general suspension of trading on the New York Stock Exchange or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of a determination by that Exchange or by orders of the Securities and Exchange Commission or any other governmental authority; or

(v) a general banking moratorium shall have been declared by either Federal, California or New York authorities having jurisdiction and be in force; or

(vi) there shall be established any new restrictions on transactions in securities materially affecting the free market for securities (including the imposition of any limitations on interest rates) or the extension of credit by, or the charge to the net capital requirements of, underwriters established by the New York Stock Exchange, the Securities and Exchange Commission, any other Federal or state agency or the Congress of the United States, or by Executive Order; or

(vii) an adverse event has occurred affecting the financial condition or operation of the Agency which, in the reasonable opinion of the Underwriter, requires or has required a supplement or amendment to the Official Statement; or

(viii) any rating of the securities of the Agency shall have been downgraded, suspended or withdrawn by a national rating service, or there shall have been any official statement by a national rating service as to a possible downgrading (such as being placed on "credit watch" or "negative outlook" or any similar qualification), in either case which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(ix) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(x) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the authentication, delivery, offering or sale of obligations of the general character of the Bonds, or the authentication, delivery, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(xi) the commencement of any action, suit or proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the best knowledge of the Agency after due investigation, threatened: (i) in any way

questioning the corporate existence of the Agency or the titles of the officers of the Agency to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the authentication or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds, the Agency Documents or the consummation of the transactions contemplated thereby or contesting the powers of the Agency to enter into the Agency Documents; (iii) which, except as described in the Official Statement, may result in any material adverse change to the financial condition of the Agency or to its ability to pay debt service on the Bonds when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, which, in the reasonable judgment of the Underwriter, materially adversely affects the market price of the Bonds.

(d) Closing Documents. At or prior to the Closing, the Underwriter shall receive with respect to the Bonds (unless the context otherwise indicates) the following documents; provided that the acceptance of the Bonds by the Underwriter on the Closing Date shall conclusively evidence the satisfaction of the requirements of this subsection (d) or the waiver by the Underwriter of any discrepancies in documents which are not in strict conformity with the requirements of this subsection (d):

(i) *Bond Opinion*. An approving opinion of Bond Counsel dated the date of the Closing and substantially in the form appended to the Official Statement, together with a letter from such counsel, dated the date of the Closing and addressed to the Underwriter, to the effect that the approving opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to them;

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

(A) The Purchase Agreement has been duly authorized, executed and delivered by the Agency and is a valid and binding agreement of the Agency;

(B) The statements contained in the Official Statement pertaining to the Bonds under the captions [“INTRODUCTION,” “THE BONDS,” “SECURITY FOR THE BONDS,” “TAX MATTERS,” “APPENDIX A — SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” and “APPENDIX B — FORM OF OPINION OF BOND COUNSEL”] excluding any financial, statistical or numerical information, any information regarding the book-entry system, any material that may be treated as included under such captions and appendices by cross-reference, insofar as such statements expressly summarize certain provisions of the Bonds, the Indenture, the Irrevocable Refunding Instructions, and such counsel's final opinion concerning certain federal tax matters relating to the Bonds, are accurate in all material respects;

(C) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification as an indenture under the Trust Indenture Act of 1939, as amended; and

(D) The 1998 Bonds are no longer outstanding and have been legally defeased in accordance with the provisions of the document pursuant to which they were issued.

(iii) *Oversight Board Documents.*

(A) A certified copy of the resolution of the Oversight Board approving the issuance of the Bonds by the Agency; and

(B) A certificate of the Clerk to the Oversight Board to the effect that such resolution is in full force and effect and has not been modified, amended, rescinded or repealed since the date of its adoption;

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

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

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

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

(D) The information in the Official Statement (excluding therefrom financial statements and other statistical data included in the Official Statement and the information relating to DTC and its book-entry only system; prices, yields and any information provided by the Underwriter; and the information relating to the reserve fund surety bonds and the municipal bond insurer contained therein, as to which such counsel expresses no view) does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

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

validity of the Agency Documents or contesting the authority of the Agency to enter into or perform its obligations under any of the Agency Documents, or which, in any manner, questions the right of the Agency to use the tax increment for repayment of the Bonds or affects in any manner the right or ability of the Agency to collect or pledge the tax increment from the Project Area (as defined in the Official Statement) or the Project Area's plan limits as described in the Official Statement;

(v) *Disclosure Counsel Letter.* A letter, dated the Closing Date and addressed to the Underwriter and the Agency, of Jones Hall, A Professional Law Corporation, Disclosure Counsel, to the effect that Disclosure Counsel is not passing upon and has not undertaken to determine independently or to verify the accuracy or completeness of the statements contained in the Official Statement, and is, therefore, unable to make any representation to the Underwriter in that regard, but on the basis of its participation in conferences with representatives of the Agency, the Financial Advisor, representatives of the Underwriter and others, during which conferences the content of the Official Statement and related matters were discussed, and its examination of certain documents, and, in reliance thereon and based on the information made available to it in its role as Disclosure Counsel and its understanding of applicable law, Disclosure Counsel advises the Underwriter as a matter of fact, but not opinion, that no information has come to the attention of the attorneys in the firm working on such matter which has led them to believe that the Official Statement (excluding therefrom the financial and statistical data, forecasts, charts, numbers, estimates, projections, assumptions and expressions of opinion included in the Official Statement, information regarding DTC and its book entry system, any information regarding the Insurer, the Policy and the Surety Bond, or any information in any appendix thereto, as to all of which no opinion is expressed) as of its date and as of the Closing Date contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and advising the Underwriter that, other than reviewing the various certificates and opinions required by this Purchase Agreement regarding the Official Statement, Disclosure Counsel has not taken any steps since the date of the Official Statement to verify the accuracy of the statements contained in the Official Statement;

(vi) *Underwriter's Counsel Opinion.* An opinion of Stradling Yocca Carlson & Rauth, A Professional Corporation, as counsel to the Underwriter, dated the Closing Date and addressed to the Underwriter, to the effect that, based on the information made available to it in its role as counsel to the Underwriter, without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, but on the basis of their participation in conferences with the Underwriter, Bond Counsel, the Agency, legal counsel to the Agency and others, and their examination of certain documents, no information has come to the attention of the attorneys in the firm rendering legal services in connection with the issuance of the Bonds which would lead them to believe that the Preliminary Official Statement or the Official Statement as of their respective dates and as of the Closing Date contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to the Appendices to the Preliminary Official Statement or the Official Statement; financial, engineering, and demographic data or statistical forecasts, projections, estimates, assumptions and expressions of opinions; information about the book-entry only system, DTC, the Insurer, the Policy or the Surety Bond; and statements relating to the treatment of the Bonds or the interest, discount or premium related thereto

for tax purposes under the law of any jurisdiction contained in the Preliminary Official Statement or the Official Statement);

(vii) *Trustee Counsel Opinion.* The opinion of counsel to the Trustee, dated the date of the Closing, addressed to the Underwriter, in form and substance satisfactory to the Underwriter and to Bond Counsel;

(viii) *Agency Certificate.* A certificate of the Agency, dated the date of the Closing, signed on behalf of the Agency by the Executive Director or other duly authorized officer of the Agency to the following effect:

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

(B) No event affecting the Agency has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ix) *Trustee's Certificate.* A certificate of the Trustee, dated the date of Closing, addressed to the Agency and the Underwriter, in form and substance acceptable to the Underwriter and to Bond Counsel;

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

(xi) *Documents.*

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

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

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

(D) A tax certificate or certificates with respect to maintaining the tax-exempt status of the Bonds, duly executed by the Agency;

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

(F) A certified copy of the redevelopment plans for the Project Area's original component areas;

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

(xiii) A report of _____, in form and substance satisfactory to the Underwriter and Bond Counsel as to the sufficiency of the escrow fund to defease the 1998 Bonds;

(xiv) The executed Policy of the Insurer insuring the scheduled payment of principal of and interest on the Bonds, substantially in the form attached as [Appendix H] to the Official Statement;

(xv) The executed Surety Bond issued by the Insurer, in form and substance satisfactory to the Underwriter;

(xvi) An opinion of counsel to the Insurer, dated as of the date of Closing, addressed to the Underwriter and the Agency in form and substance acceptable to the Underwriter, substantially to the effect that: (i) the Insurer has been duly incorporated and is validly existing and in good standing under the laws of the State of its incorporation; (ii) the Policy and the Surety Bond constitute the legal, valid and binding obligations of the Insurer enforceable in accordance with their respective terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization, rehabilitation and other similar laws of general applicability relating to or affecting creditors' and/or claimants' rights against insurance companies and to general equity principles; and (iii) the information contained in the Official Statement under the caption ["MUNICIPAL BOND INSURANCE"] does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(xvii) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the Closing Date, of the representations contained herein and in the Official Statement and the due performance or satisfaction by the Trustee and the Agency at or prior to such time of all agreements then to be performed and all conditions then to be satisfied in connection with the delivery and sale of the Bonds.

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

8. Expenses. Except as provided in this Section 8, the Agency will pay or cause to be paid the expenses incident to the performance of its obligations hereunder and certain expenses relating to the sale of the Bonds, including, but not limited to, (a) the cost of the preparation and printing or other reproduction of the Agency Documents (other than this Purchase Agreement); (b)

the fees and disbursements of Bond Counsel, the Municipal Advisor and any other experts or other consultants retained by the Agency; (c) the costs and fees of the credit rating agencies; (d) the cost of preparing and delivering the definitive Bonds; (e) the cost of providing immediately available funds on the Closing Date; (f) the cost of the printing or other reproduction of the Preliminary Official Statement and Official Statement and any amendment or supplement thereto, including a reasonable number of certified or conformed copies thereof; (g) the cost of continuing disclosure compliance review; (h) the Underwriter's out-of-pocket expenses (included in the expense component of the Underwriter's discount) incurred by Underwriter which are incidental to implementing this Purchase Agreement, including, but not limited to meals, transportation and lodging of those employees; and (i) the cost of the premium for the purchase of the Policy.

The Underwriter will pay the expenses of the preparation of this Purchase Agreement and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including advertising expenses, CDIAAC fees, CUSIP services bureau charges, regulatory fees imposed on new security issues, and fee and disbursements of Underwriter's Counsel.

9. Notice. Any notice or other communication to be given to the Agency under this Purchase Agreement may be given by delivering the same in writing to such entity at the address set forth above. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Morgan Stanley & Co. LLC, 555 California Street, 21st Floor, San Francisco, California 94104, Attention: John Sheldon.

10. Entire Agreement. This Purchase Agreement, when accepted by the Agency, shall constitute the entire agreement among the Agency and the Underwriter and is made solely for the benefit of the Agency and the Underwriter (including the successors or assigns of the Underwriter). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein. All of the Agency's representations, warranties and agreements in this Purchase Agreement shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter, until the earlier of: (i) delivery of and payment for the Bonds hereunder; and (ii) any termination of this Purchase Agreement.

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

12. 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.

13. State of California Law Governs. The validity, interpretation and performance of this Purchase Agreement shall be governed by the laws of California.

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

MORGAN STANLEY & CO. LLC,

By: _____
Its: Authorized Officer

Accepted as of the date first stated above:

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF TORRANCE

By: _____
Its: Finance Director

APPENDIX A
MATURITY SCHEDULE

<i>Maturity Date (September 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>10% Test Used</i>	<i>Hold the Offering Price Used</i>
	\$	%	%			

* Insured Bonds

Optional Redemption. The Bonds maturing on or before September 1, 20__, shall not be subject to optional redemption prior to their stated maturity dates. The Bonds maturing on or after September 1, 20__ shall be subject to redemption prior to their stated maturity dates as a whole or in part among such maturities as shall be determined by the Agency and by lot within each maturity, at the option of the Agency on any date on or after September 1, 20__, from funds derived by the

Agency from any source, at a redemption price equal to 100 percent of the principal amount of the Bonds called for redemption, plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption of Bonds. The Bonds maturing on September 1, 20__, and September 1, 20__, shall be subject to redemption prior to their stated maturity, in part by lot, from sinking fund payments set aside in the Principal Account pursuant to the Indenture (as amended), at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium, according to the following schedule:

Bonds Maturing September 1, 20__

<i>Year (September 1)</i>	<i>Principal Amount to be Redeemed</i>
	\$

(maturity)

Bonds Maturing September 1, 20__

<i>Year (September 1)</i>	<i>Principal Amount to be Redeemed</i>
	\$

(maturity)

APPENDIX B**CERTIFICATE OF THE UNDERWRITER**

with reference to

§ _____

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE
(Downtown Redevelopment Project)
2018 Tax Allocation Refunding Bonds**

Dated: _____, 2018

The undersigned Morgan Stanley & Co. LLC (“Morgan Stanley” or “we”) has entered into that certain Purchase Agreement, dated _____, 2018 (the “Purchase Agreement”), with the Successor Agency to the Redevelopment Agency of the City of Torrance (the “Successor Agency”), with respect to the above-referenced bonds (the “2018 Bonds”).

The representations set forth in this Certificate are limited to factual matters only. Nothing in this Certificate represents Morgan Stanley’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations thereunder. Morgan Stanley understands and acknowledges that this Certificate will be attached as an Exhibit to the [Certificate Regarding Compliance with Certain Tax Matters], dated _____, 2018 (the “Tax Certificate”), executed by the Successor Agency. Morgan Stanley understands that this Certificate will be relied upon by the Successor Agency with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the 2018 Bonds, and by Jones Hall, A Professional Law Corporation, 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 Bond Counsel may give to the Agency from time to time relating to the 2018 Bonds.

Morgan Stanley, acting through its authorized representative, hereby certifies and represents the following, based upon the information available to it:

1. Defined Terms.

1.1 “General Rule Maturities” means those Maturities of the 2018 Bonds not indicated as a “Hold-the-Offering-Price Maturity” on Schedule I.

1.2 “Hold-the-Offering-Price Maturity” means those Maturities of the 2018 Bonds indicated In Schedule I as a “Hold-the-Offering-Price Maturity.”

1.3 “Holding Period” means, for each Hold-the-Offering-Price Maturity of the 2018 Bonds, 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 Morgan Stanley has sold at least ten

percent of such Maturity to the Public at a price that is no higher than the Initial Offering Price for such Maturity.

1.4 “Maturity” means 2018 Bonds with the same credit and payment terms. 2018 Bonds with different maturity dates, or 2018 Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

1.5 “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.

1.6 “Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity. The Sale Date of the 2018 Bonds is _____, 2018.

1.7 “Underwriter” means (i) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2018 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 2018 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 2018 Bonds to the Public).

2. Sale of 2018 Bonds.

2.1 As of the date of this Certificate, for each Maturity of the 2018 Bonds considered as the “General Rule Maturities,” the first price at which at least ten percent of such Maturity of the 2018 Bonds was sold to the Public is the respective price listed in Schedule I hereto (the “Sale Price” as applicable to each Maturity of the General Rule Maturities).

2.2 *[Include if applicable:* On or before the Sale Date, Morgan Stanley offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in the final Official Statement for the 2018 Bonds (the “Initial Offering Prices”). A copy of the pricing wire or equivalent communication for the 2018 Bonds is attached to this Certificate as Schedule II.

2.3 As set forth in the Bond Purchase Agreement, Morgan Stanley has agreed in writing that (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any unsold bonds within 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 would contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement to which Morgan Stanley is a party would 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 the Purchase Agreement, no underwriter has offered or sold any unsold bonds within a 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 2018 Bonds during the Holding Period.]

3. Reserve Requirement.

Based upon our experience in marketing and maintaining a market for obligations having terms and credit arrangements similar to those underlying the 2018 Bonds, the Reserve Requirement contemplated under the Indenture, was a vital factor in the marketing of the 2018 Bonds.

4. Yield.

We have calculated the arbitrage yield with respect to the 2018 Bonds to be _____% in accordance with the following instructions provided by Bond Counsel. Bond Counsel has advised that yield on the 2018 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 2018 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 2018 Bonds listed in Schedule I as described in Section 1.1 above. 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 2018 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.

We have performed the calculations described in above with the express understanding and agreement of Bond Counsel and the Successor Agency that, notwithstanding the performance of these calculations and the delivery of this letter: (i) in doing so we are not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act); (ii) we do not have a fiduciary duty to the Successor Agency, and (iii) we are not to be construed as a “paid preparer” of any tax returns of the Successor Agency, including specifically (but not limited to) Form 8038-G. In performing the calculations described in above, we remind you that we are not accountants or actuaries, nor are we engaged in the practice of law. Accordingly, while we believe the calculations described above to be correct, we do not warrant them to be so, nor do we warrant their validity for purposes of the Code. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be executed by its duly authorized representative on the date first written above.

MORGAN STANLEY & CO. LLC

By: _____
Authorized Representative

Dated: _____, 2018

SCHEDULE I

**SALE PRICES OF THE GENERAL RULE MATURITIES [AND INITIAL OFFERING
PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES]**

(Attached)

**[SCHEDULE II
PRICING WIRE OR EQUIVALENT COMMUNICATION**

(Attached)

Cover Page

H - Draft Department of Finance Letter (Municipal Advisor Savings Report)

NHA | ADVISORS

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San Rafael, CA 94903

Office: 415.785.2025
www.NHAadvisors.com

MEMORANDUM

To: State Department of Finance

From: Craig Hill and Rob Schmidt, NHA Advisors
Financial Advisor to the Successor Agency to the Former Redevelopment Agency of the City of Torrance

Date: June 18, 2018

RE: Successor Agency to the Former Redevelopment Agency of the City of Torrance – 2018 Tax Allocation Refunding Bonds

Introduction

Dissolution Act; Successor Agency - On June 29, 2011, Assembly Bill No. 26 (1st Extraordinary Session) ("AB 26") was enacted together with a companion bill, Assembly Bill No. 27 (2nd Extraordinary Session) ("AB 27"). The provisions of AB 26 provided for the dissolution of all redevelopment agencies. The provisions of AB 27 permitted redevelopment agencies to avoid dissolution by the payment of certain amounts. A lawsuit was brought in the California Supreme Court, California Redevelopment Association, et al., v. Matosantos, et al., 53 Cal. 4th 231 (Cal. Dec. 29, 2011), challenging the constitutionality of AB 26 and AB 27. The California Supreme Court largely upheld AB 26, invalidated AB 27, and held that AB 26 may be severed from AB 27 and enforced independently. As a result of AB 26 and the Matosantos decision, all redevelopment agencies in the State were dissolved as of February 1, 2012, including the Redevelopment Agency of the City of Torrance (the "Redevelopment Agency"), and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies. The City Council of the City of Torrance (the "City") acts as the Board to the Successor Agency to the Former Redevelopment Agency of the City of Torrance (the "Successor Agency").

The primary provisions enacted by AB 26 relating to the dissolution and wind down of former redevelopment agency affairs are codified in Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State, as amended on June 27, 2012 by Assembly Bill No. 1484 ("AB 1484"), enacted as Chapter 26, Statutes of 2012 (as amended from time to time, the "Dissolution Act").

Refunding Bonds under the Dissolution Act - Section 34177.5 of the Health & Safety Code, which was added to the Dissolution Act by AB 1484, authorizes the Successor Agency to issue bonds for the purpose of refunding outstanding obligations of the Redevelopment Agency or the Successor Agency to provide savings to the Successor Agency provided that (A) the total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds does not exceed the total remaining interest cost to maturity on the bonds to be refunded plus the remaining principal of the bonds to be refunded, and (B) the principal amount of the refunding bonds does not exceed the amount required to defease the

refunded bonds, to establish customary debt service reserves, and to pay related costs of issuance. If the foregoing conditions are satisfied, the initial principal amount of the refunding bonds may be greater than the outstanding principal amount of the bonds to be refunded.

Requirement for Independent Financial Advisor - Section 34177.5(h) requires the Successor Agency to make diligent efforts to ensure that the lowest long-term cost financing is obtained, and requires the successor agency to make use of an independent financial advisor in developing financing proposals and to make the work products of the financial advisor available to the Department of Finance at its request.

This report is written by NHA Advisors LLC, which has been engaged as the independent financial advisor to the Successor Agency, to analyze the possible refunding of the Successor Agency’s outstanding bonds.

Outstanding Bonds

The Redevelopment Agency previously issued the following obligations (collectively, the “Outstanding Obligations”):

- \$8,500,000 Redevelopment Agency of the City of Torrance (Downtown Redevelopment Project), Tax Allocation Refunding Bonds, 1998 Series A (the “1998A Bonds”);
- \$12,770,000 Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project), Tax Allocation Refunding Bonds, 1998 Series B (the “1998B Bonds”); and
- \$18,500,000 Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project), Tax Allocation Refunding Bonds, 1999 Series C (the “1999C Bonds”).

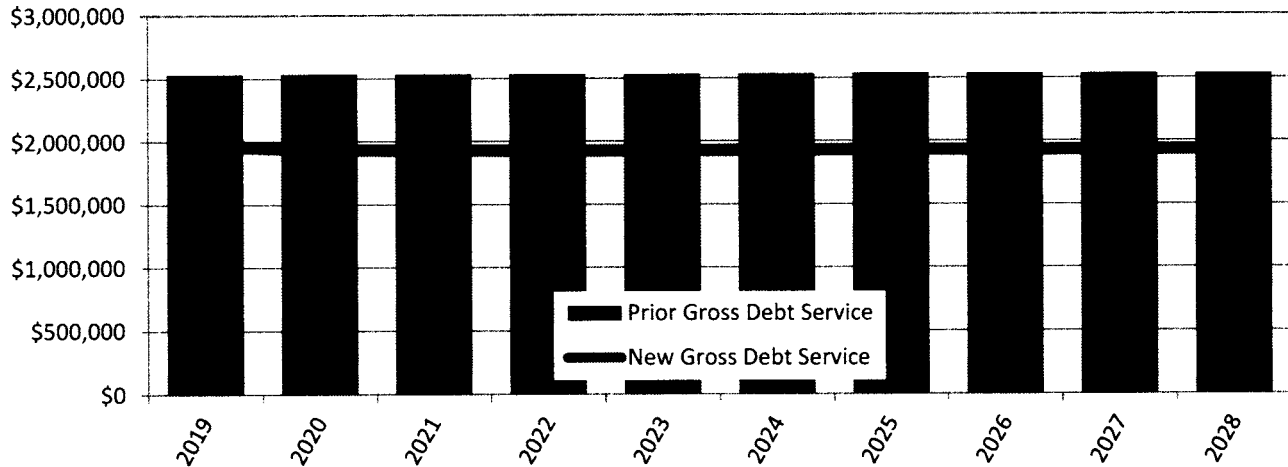
The three series of Outstanding Bonds that will be refunded as part of this 2018 Tax Allocation Refunding Bonds (“2018 Bonds”) are shown in the table below.

	1998A Bonds	1998B Bonds	1999C Bonds	Total
Tax Status	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt
Outstanding Par*	\$4,390,000	\$4,885,000	\$9,780,000	\$19,055,000
Current Interest Rate	5.600%	5.625%	5.500%	5.555%
Final Maturity	9/1/2028	9/1/2028	9/1/2028	
Redemption	Any Date	Any Date	Any Date	

* Following September 1, 2018 debt service payment date

Overview of the Refunding Opportunity

The 2018 Tax Allocation Refunding Bonds (“2018 Bonds”) are expected to be amortized through the same terms of the existing bonds (9/1/2028) and generate uniform annual savings. As shown in the chart and table below, there is expected to be approximately \$2.45 million of gross annual cash flow savings based on current interest rates.



Based upon current interest rate assumptions, the Outstanding Bonds may be refunded to generate total gross debt service savings of approximately **\$6.1 million (\$2.45 million net of prior DSRF releases and investment earnings) through 2028** or approximately \$2.42 million on a net present value basis (12.7% of refunded par). The new debt service is structured to be amortized through 2028 and anticipated to generate approximately \$615,000 of gross cash flow savings each year.

Value of Refunded Bonds	\$19,055,000
Range of Coupons of Old Bonds	5.5% - 5.625%
Final Maturity of Refunded Bonds	9/1/2028
Estimated Par Amount of 2018 TABs	\$15,220,000
Estimated Premium	\$1,801,808
Total Bond Proceeds	\$17,021,808
Estimated Interest Rate	2.87%
Estimated Final Maturity of 2018 TABs	9/1/2028
Net PV Savings+	\$2,320,503
Net PV Savings (as % of par)+	12.2%
Gross Cumulative Savings	\$6,004,550
Net Cumulative Savings+	\$2,333,176

+ Savings deducts prior DSRF investment earnings and release

Given these interest rates, these savings will provide the City and taxing entities with a significant cash flow benefit. The table set forth above right is a summary of the Outstanding Bonds and an analysis of the savings that could be realized from the proposed refunding, particularly as the refunding would satisfy the conditions set forth in Section 34177.5 of the Dissolution Act. The analysis assumes a delivery date of September 25, 2018. More detail on the savings opportunity and detailed cash flow analysis can be found in Exhibit A (Summary of Sources/Uses of Funds and Savings Opportunity) and Exhibit F (Preliminary Refunding Cash Flows).

Benefits to Taxing Entities from Refunding

The Successor Agency and its Financial Advisor obtained preliminary information on the residual allocation attributable to each taxing entity within the former Redevelopment Project. The table to the right depicts these estimated allocations, and the percentage share of refunding savings that each taxing entity is expected to realize.

Taxing Entity	Share of Savings
County General Fund	3.42%
County Foresters & Fire Warden	1.29%
County Flood Control	0.12%
County Sanitation District, #5 Operating	2.15%
City of Torrance	19.72%
Water Replenishment District	0.03%
ERAF	34.76%
County Office of Education	0.71%
El Camino Community College	5.04%
Torrance USD	32.75%
TOTAL	100.00%

Process and Timing

Exhibit B shows the proposed schedule for the financing. The Successor Agency and its Oversight Board have approved the plan of finance and legal documents for the refunding at their meetings on June 26 and June 27, respectively. The certified, signed resolutions from the Oversight Board are attached as Exhibit C. Also attached are the approved Successor Agency Board Resolution (Exhibit D) and approved form of Indenture (Exhibit E). On the financing schedule attached (Exhibit B), this application to the State Department of Finance (“DOF”) for approval of the refunding is shown in the schedule as submitted today, Thursday, June 28, 2018. Based upon a 65-day DOF review of this application, we show DOF approval on or before Friday, August 31. Sale of the refunding bonds would then take place on or about September 11 with a closing on or about September 25. The schedule would be expedited if formal approval by DOF occurs prior to the 65-day deadline. Accordingly, taxing entities could start receiving their increased property taxes as a result of the refunding when the County of Los Angeles makes its distributions in the 2018-19 fiscal year.

Attachments:

- EXHIBIT A – Summary of Sources/Uses of Funds and Savings Schedule
- EXHIBIT B – Financing Schedule
- EXHIBIT C – Oversight Board (OB) Certified/Signed Resolution
- EXHIBIT D – Successor Agency (SA) Certified/Signed Resolution
- EXHIBIT E – Approved Indenture of Trust
- EXHIBIT F – Approved Bond Purchase Agreement
- EXHIBIT G – Preliminary Refunding Analysis
- EXHIBIT H – Prior Official Statement Cover for 2007A Bonds and 2007A Bonds Debt Service Schedule

EXHIBIT A

**ESTIMATED
SOURCES AND USES OF FUNDS
&
ESTIMATED DEBT SERVICE SAVINGS SCHEDULE**

SOURCES AND USES OF FUNDS	
Sources of Funds:	
Par Amount of Bonds	\$15,220,000
Reoffering Premium	1,801,808
Transfers from Prior DSRFs	2,883,655
Total Sources	\$19,905,463
Uses of Funds:	
Deposit to Escrow Fund	\$19,213,788
Costs of Issuance*	691,675
Debt Service Reserve Fund	-
Total Uses	\$19,905,463

** Estimated; includes costs for bond insurance, debt service reserve fund surety, bond and disclosure counsel, municipal advisor, fiscal consultant, rating, trustee, and other miscellaneous costs.*

DEBT SERVICE SAVINGS SCHEDULE					
Date (Sept. 1)	Prior Gross Debt Service	New Gross Debt Service	Gross Savings	Prior DSRF Int. Earnings	Net Savings
2019	\$2,533,521	\$1,968,627	\$564,895	(\$74,014)	\$490,881
2020	2,536,588	1,934,900	601,688	(79,301)	522,387
2021	2,534,928	1,930,600	604,328	(79,301)	525,027
2022	2,533,548	1,926,800	606,748	(79,301)	527,447
2023	2,532,166	1,926,000	606,166	(79,301)	526,866
2024	2,535,509	1,928,000	607,509	(79,301)	528,208
2025	2,538,020	1,932,500	605,520	(79,301)	526,219
2026	2,534,419	1,928,000	606,419	(79,301)	527,118
2027	2,534,705	1,934,750	599,955	(79,301)	520,654
2028	2,533,324	1,932,000	601,324	(79,301)	522,023
TOTAL	\$25,346,726	\$19,342,177	\$6,004,550	\$(787,719)	\$5,216,831
			Less: Prior DSRF	(\$2,883,655)	(\$2,883,655)
			Plus: New DSRF	\$0	\$0
			NET CASH FLOW SAVINGS	(\$3,671,374)	\$2,333,176

EXHIBIT B

**Successor Agency to the Former Redevelopment Agency of the City of Torrance
2018 Tax Allocation Refunding Bonds
(Refunding of 1998A (Downtown) and 1999B&C (Industrial) Bonds)**

**Financing Schedule
(As of June 18, 2018)**

Issuer: Torrance Successor Agency (SA)
Oversight Board: Various Taxing Entities (OB)
Financial Advisor: NHA Advisors (MA)
Underwriter: Morgan Stanley (UW)

Date	Activity	Participants
Tuesday, June 26	Successor Agency Approval of Financing Documents	SA
Wednesday, June 27	Oversight Board Approval of Financing Documents	OB
Thursday, June 28	Submit Financial Advisor Report to DOF for Approval (65-Day "Clock" Begins)	SA/FA
Friday, August 31	Receive DOF Approval of Financing	SA
Tuesday, September 11*	Bond Sale	SA/UW/FA
Tuesday, September 25*	Closing	ALL

* *Dependent upon receipt of DOF approval and bond market conditions*

EXHIBIT C

EXECUTED OVERSIGHT BOARD RESOLUTION

EXHIBIT D

EXECUTED SUCCESSOR AGENCY RESOLUTION

EXHIBIT E

APPROVED INDENTURE OF TRUST

EXHIBIT F

APPROVED BOND PURCHASE AGREEMENT

EXHIBIT G

PRELIMINARY REFUNDING CASH FLOWS

SOURCES AND USES OF FUNDS

Successor Agency to the Redevelopment Agency of the City of Torrance
 2018 Tax Allocation Refunding Bonds
 Preliminary

Dated Date 09/25/2018
 Delivery Date 09/25/2018

Sources:	2018 Tax Allocation Refunding Bonds (Torrance Industrial Redevelopment Project)	2018 Tax Allocation Refunding Bonds (Downtown Redevelopment Project)	Total
Bond Proceeds:			
Par Amount	11,630,000.00	3,590,000.00	15,220,000.00
Premium	1,376,993.35	424,814.35	1,801,807.70
	<u>13,006,993.35</u>	<u>4,014,814.35</u>	<u>17,021,807.70</u>
Other Sources of Funds:			
1998B Industrial DSRF	1,027,288.86		1,027,288.86
1998C Industrial DSRF	1,282,397.31		1,282,397.31
1998A Downtown DSRF		573,969.29	573,969.29
	<u>2,309,686.17</u>	<u>573,969.29</u>	<u>2,883,655.46</u>
	<u>15,316,679.52</u>	<u>4,588,783.64</u>	<u>19,905,463.16</u>

Uses:	2018 Tax Allocation Refunding Bonds (Torrance Industrial Redevelopment Project)	2018 Tax Allocation Refunding Bonds (Downtown Redevelopment Project)	Total
Refunding Escrow Deposits:			
Cash Deposit	14,786,907.19	4,426,881.00	19,213,788.19
Delivery Date Expenses:			
Cost of Issuance	244,520.37	75,479.63	320,000.00
Underwriter's Discount	162,593.85	50,190.21	212,784.06
Surety Policy @ 2.5%	32,517.48	10,037.04	42,554.52
Bond Insurance @ 0.6%	88,681.38	27,371.68	116,053.06
	<u>528,313.08</u>	<u>163,078.56</u>	<u>691,391.64</u>
Other Uses of Funds:			
Additional Proceeds	1,459.25	(1,175.92)	283.33
	<u>15,316,679.52</u>	<u>4,588,783.64</u>	<u>19,905,463.16</u>

SUMMARY OF REFUNDING RESULTS

Successor Agency to the Redevelopment Agency of the City of Torrance
 2018 Tax Allocation Refunding Bonds
 Preliminary

	2018 Tax Allocation Refunding Bonds (Torrance Industrial Redevelopment Project)	2018 Tax Allocation Refunding Bonds (Downtown Redevelopment Project)	Total
Dated Date	09/25/2018	09/25/2018	09/25/2018
Delivery Date	09/25/2018	09/25/2018	09/25/2018
Arbitrage Yield	2.623321%	2.623321%	2.623321%
Escrow Yield			
Value of Negative Arbitrage			
Bond Par Amount	11,630,000.00	3,590,000.00	15,220,000.00
True Interest Cost	2.873618%	2.873742%	2.873647%
Net Interest Cost	2.893849%	2.893911%	2.893863%
Average Coupon	4.709239%	4.708892%	4.709157%
Average Life	5.752	5.749	5.751
Par amount of refunded bonds	14,665,000.00	4,390,000.00	19,055,000.00
Average coupon of refunded bonds	5.541681%	5.600000%	5.555118%
Average life of refunded bonds	5.877	5.878	5.877
PV of prior debt	16,996,964.15	5,101,902.11	22,098,866.26
Net PV Savings	1,777,481.84	543,020.84	2,320,502.68
Percentage savings of refunded bonds	12.120572%	12.369495%	12.177920%
Percentage savings of refunding bonds	15.283593%	15.125929%	15.246404%

SAVINGS

Successor Agency to the Redevelopment Agency of the City of Torrance
 2018 Tax Allocation Refunding Bonds
 Preliminary

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 09/25/2018 @ 2.6233210%
09/01/2019	2,533,521.26	74,013.82	2,459,507.44	1,968,626.67	490,880.77	481,802.08
09/01/2020	2,536,587.50	79,300.52	2,457,286.98	1,934,900.00	522,386.98	498,415.82
09/01/2021	2,534,927.50	79,300.52	2,455,626.98	1,930,600.00	525,026.98	487,751.55
09/01/2022	2,533,547.50	79,300.52	2,454,246.98	1,926,800.00	527,446.98	477,165.43
09/01/2023	2,532,166.26	79,300.52	2,452,865.74	1,926,000.00	526,865.74	464,144.75
09/01/2024	2,535,508.76	79,300.52	2,456,208.24	1,928,000.00	528,208.24	453,109.04
09/01/2025	2,538,020.00	79,300.52	2,458,719.48	1,932,500.00	526,219.48	439,617.28
09/01/2026	2,534,418.76	79,300.52	2,455,118.24	1,928,000.00	527,118.24	428,856.72
09/01/2027	2,534,705.00	79,300.52	2,455,404.48	1,934,750.00	520,654.48	412,513.32
09/01/2028	2,533,323.76	2,962,955.98	(429,632.22)	1,932,000.00	(2,361,632.22)	(1,823,156.64)
	25,346,726.30	3,671,373.96	21,675,352.34	19,342,176.67	2,333,175.67	2,320,219.35

Savings Summary

PV of savings from cash flow	2,320,219.35
Plus: Refunding funds on hand	283.33
Net PV Savings	2,320,502.68

Note: Assumes 2.75% earnings on prior reserve funds

BOND SUMMARY STATISTICS

Successor Agency to the Redevelopment Agency of the City of Torrance
 2018 Tax Allocation Refunding Bonds
 Preliminary

Dated Date	09/25/2018
Delivery Date	09/25/2018
First Coupon	03/01/2019
Last Maturity	09/01/2028
Arbitrage Yield	2.623321%
True Interest Cost (TIC)	2.873647%
Net Interest Cost (NIC)	2.893863%
All-In TIC	3.258759%
Average Coupon	4.709157%
Average Life (years)	5.751
Weighted Average Maturity (years)	5.919
Duration of Issue (years)	5.132
Par Amount	15,220,000.00
Bond Proceeds	17,021,807.70
Total Interest	4,122,176.67
Net Interest	2,533,153.03
Total Debt Service	19,342,176.67
Maximum Annual Debt Service	1,968,626.67
Average Annual Debt Service	1,947,198.99
Underwriter's Fees (per \$1000)	
Average Takedown	12.500000
Other Fee	1.480556
Total Underwriter's Discount	13.980556
Bid Price	110.440366

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	Duration	PV of 1 bp change
Serial Bonds (Downtown)	3,590,000.00	111.833	4.709%	5.749	06/25/2024	5.167	2,030.40
Serial Bonds (Industrial)	11,630,000.00	111.840	4.709%	5.752	06/25/2024	5.169	6,580.55
	15,220,000.00			5.751			8,610.95

	TIC	All-In TIC	Arbitrage Yield
Par Value	15,220,000.00	15,220,000.00	15,220,000.00
+ Accrued Interest			
+ Premium (Discount)	1,801,807.70	1,801,807.70	1,801,807.70
- Underwriter's Discount	(212,784.06)	(212,784.06)	
- Cost of Issuance Expense		(320,000.00)	
- Other Amounts	(158,607.58)	(158,607.58)	(158,607.58)
Target Value	16,650,416.06	16,330,416.06	16,863,200.12
Target Date	09/25/2018	09/25/2018	09/25/2018
Yield	2.873647%	3.258759%	2.623321%

BOND PRICING

Successor Agency to the Redevelopment Agency of the City of Torrance
 2018 Tax Allocation Refunding Bonds
 Preliminary

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)	Takedown
Serial Bonds (Industrial):							
	09/01/2019	1,040,000	2.000%	1.560%	100.405	4,212.00	12.500
	09/01/2020	1,000,000	3.000%	1.750%	102.365	23,650.00	12.500
	09/01/2021	1,025,000	4.000%	1.910%	105.933	60,813.25	12.500
	09/01/2022	1,065,000	4.000%	2.010%	107.488	79,747.20	12.500
	09/01/2023	1,110,000	4.000%	2.150%	108.614	95,615.40	12.500
	09/01/2024	1,155,000	5.000%	2.300%	114.893	172,014.15	12.500
	09/01/2025	1,215,000	5.000%	2.450%	116.167	196,429.05	12.500
	09/01/2026	1,275,000	5.000%	2.570%	117.337	221,046.75	12.500
	09/01/2027	1,340,000	5.000%	2.650%	118.582	248,998.80	12.500
	09/01/2028	1,405,000	5.000%	2.740%	119.535	274,466.75	12.500
		<u>11,630,000</u>				<u>1,376,993.35</u>	
Serial Bonds (Downtown):							
	09/01/2019	320,000	2.000%	1.560%	100.405	1,296.00	12.500
	09/01/2020	310,000	3.000%	1.750%	102.365	7,331.50	12.500
	09/01/2021	320,000	4.000%	1.910%	105.933	18,985.60	12.500
	09/01/2022	330,000	4.000%	2.010%	107.488	24,710.40	12.500
	09/01/2023	340,000	4.000%	2.150%	108.614	29,287.60	12.500
	09/01/2024	355,000	5.000%	2.300%	114.893	52,870.15	12.500
	09/01/2025	375,000	5.000%	2.450%	116.167	60,626.25	12.500
	09/01/2026	390,000	5.000%	2.570%	117.337	67,614.30	12.500
	09/01/2027	415,000	5.000%	2.650%	118.582	77,115.30	12.500
	09/01/2028	435,000	5.000%	2.740%	119.535	84,977.25	12.500
		<u>3,590,000</u>				<u>424,814.35</u>	
		<u>15,220,000</u>				<u>1,801,807.70</u>	

Dated Date	09/25/2018	
Delivery Date	09/25/2018	
First Coupon	03/01/2019	
Par Amount	15,220,000.00	
Premium	1,801,807.70	
Production	17,021,807.70	111.838421%
Underwriter's Discount	(212,784.06)	(1.398056%)
Purchase Price	16,809,023.64	110.440366%
Accrued Interest		
Net Proceeds	16,809,023.64	

BOND DEBT SERVICE

Successor Agency to the Redevelopment Agency of the City of Torrance
 2018 Tax Allocation Refunding Bonds
 Preliminary

Dated Date 09/25/2018
 Delivery Date 09/25/2018

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2019			282,576.67	282,576.67	
09/01/2019	1,360,000	2.000%	326,050.00	1,686,050.00	1,968,626.67
03/01/2020			312,450.00	312,450.00	
09/01/2020	1,310,000	3.000%	312,450.00	1,622,450.00	1,934,900.00
03/01/2021			292,800.00	292,800.00	
09/01/2021	1,345,000	4.000%	292,800.00	1,637,800.00	1,930,600.00
03/01/2022			265,900.00	265,900.00	
09/01/2022	1,395,000	4.000%	265,900.00	1,660,900.00	1,926,800.00
03/01/2023			238,000.00	238,000.00	
09/01/2023	1,450,000	4.000%	238,000.00	1,688,000.00	1,926,000.00
03/01/2024			209,000.00	209,000.00	
09/01/2024	1,510,000	5.000%	209,000.00	1,719,000.00	1,928,000.00
03/01/2025			171,250.00	171,250.00	
09/01/2025	1,590,000	5.000%	171,250.00	1,761,250.00	1,932,500.00
03/01/2026			131,500.00	131,500.00	
09/01/2026	1,665,000	5.000%	131,500.00	1,796,500.00	1,928,000.00
03/01/2027			89,875.00	89,875.00	
09/01/2027	1,755,000	5.000%	89,875.00	1,844,875.00	1,934,750.00
03/01/2028			46,000.00	46,000.00	
09/01/2028	1,840,000	5.000%	46,000.00	1,886,000.00	1,932,000.00
	15,220,000		4,122,176.67	19,342,176.67	19,342,176.67

NET DEBT SERVICE

Successor Agency to the Redevelopment Agency of the City of Torrance
 2018 Tax Allocation Refunding Bonds
 Preliminary

Period Ending	Principal	Interest	Total Debt Service	Net Debt Service
09/01/2019	1,360,000	608,626.67	1,968,626.67	1,968,626.67
09/01/2020	1,310,000	624,900.00	1,934,900.00	1,934,900.00
09/01/2021	1,345,000	585,600.00	1,930,600.00	1,930,600.00
09/01/2022	1,395,000	531,800.00	1,926,800.00	1,926,800.00
09/01/2023	1,450,000	476,000.00	1,926,000.00	1,926,000.00
09/01/2024	1,510,000	418,000.00	1,928,000.00	1,928,000.00
09/01/2025	1,590,000	342,500.00	1,932,500.00	1,932,500.00
09/01/2026	1,665,000	263,000.00	1,928,000.00	1,928,000.00
09/01/2027	1,755,000	179,750.00	1,934,750.00	1,934,750.00
09/01/2028	1,840,000	92,000.00	1,932,000.00	1,932,000.00
	15,220,000	4,122,176.67	19,342,176.67	19,342,176.67

AGGREGATE DEBT SERVICE

Successor Agency to the Redevelopment Agency of the City of Torrance
 2018 Tax Allocation Refunding Bonds
 Preliminary

Date	2018 Tax Allocation Refunding Bonds (Torrance Industrial Redevelopment Project)	2018 Tax Allocation Refunding Bonds (Downtown Redevelopment Project)	Aggregate Debt Service
03/01/2019	215,930	66,646.67	282,576.67
09/01/2019	1,289,150	396,900.00	1,686,050.00
03/01/2020	238,750	73,700.00	312,450.00
09/01/2020	1,238,750	383,700.00	1,622,450.00
03/01/2021	223,750	69,050.00	292,800.00
09/01/2021	1,248,750	389,050.00	1,637,800.00
03/01/2022	203,250	62,650.00	265,900.00
09/01/2022	1,268,250	392,650.00	1,660,900.00
03/01/2023	181,950	56,050.00	238,000.00
09/01/2023	1,291,950	396,050.00	1,688,000.00
03/01/2024	159,750	49,250.00	209,000.00
09/01/2024	1,314,750	404,250.00	1,719,000.00
03/01/2025	130,875	40,375.00	171,250.00
09/01/2025	1,345,875	415,375.00	1,761,250.00
03/01/2026	100,500	31,000.00	131,500.00
09/01/2026	1,375,500	421,000.00	1,796,500.00
03/01/2027	68,625	21,250.00	89,875.00
09/01/2027	1,408,625	436,250.00	1,844,875.00
03/01/2028	35,125	10,875.00	46,000.00
09/01/2028	1,440,125	445,875.00	1,886,000.00
	14,780,230	4,561,946.67	19,342,176.67

SUMMARY OF BONDS REFUNDED

Successor Agency to the Redevelopment Agency of the City of Torrance
 2018 Tax Allocation Refunding Bonds
 Preliminary

Bond	Maturity Date	CUSIP	Interest Rate	Par Amount	Call Date	Call Price
(Downtown Redevelopment Project) Tax Allocation Refunding Bonds, 1998 Series A, 1998A_DT:						
TERM28	09/01/2019	891379GL7	5.600%	340,000.00	10/25/2018	100.000
	09/01/2020	891379GL7	5.600%	360,000.00	10/25/2018	100.000
	09/01/2021	891379GL7	5.600%	380,000.00	10/25/2018	100.000
	09/01/2022	891379GL7	5.600%	400,000.00	10/25/2018	100.000
	09/01/2023	891379GL7	5.600%	420,000.00	10/25/2018	100.000
	09/01/2024	891379GL7	5.600%	445,000.00	10/25/2018	100.000
	09/01/2025	891379GL7	5.600%	470,000.00	10/25/2018	100.000
	09/01/2026	891379GL7	5.600%	495,000.00	10/25/2018	100.000
	09/01/2027	891379GL7	5.600%	525,000.00	10/25/2018	100.000
	09/01/2028	891379GL7	5.600%	555,000.00	10/25/2018	100.000
				4,390,000.00		
(Industrial) Tax Allocation Subordinate Lien Refunding Bonds, 1998 Series B (Uninsured), 1998B_IN:						
TERM28	09/01/2019	891379FU8	5.625%	375,000.00	10/25/2018	100.000
	09/01/2020	891379FU8	5.625%	400,000.00	10/25/2018	100.000
	09/01/2021	891379FU8	5.625%	420,000.00	10/25/2018	100.000
	09/01/2022	891379FU8	5.625%	445,000.00	10/25/2018	100.000
	09/01/2023	891379FU8	5.625%	470,000.00	10/25/2018	100.000
	09/01/2024	891379FU8	5.625%	495,000.00	10/25/2018	100.000
	09/01/2025	891379FU8	5.625%	525,000.00	10/25/2018	100.000
	09/01/2026	891379FU8	5.625%	555,000.00	10/25/2018	100.000
	09/01/2027	891379FU8	5.625%	585,000.00	10/25/2018	100.000
	09/01/2028	891379FU8	5.625%	615,000.00	10/25/2018	100.000
				4,885,000.00		
(Industrial) Tax Allocation Senior Lien Forward Refunding Bonds, 1999 Series C (Insured), 1998C_IN:						
TERM28	09/01/2019	891379FT1	5.500%	760,000.00	10/25/2018	100.000
	09/01/2020	891379FT1	5.500%	800,000.00	10/25/2018	100.000
	09/01/2021	891379FT1	5.500%	845,000.00	10/25/2018	100.000
	09/01/2022	891379FT1	5.500%	890,000.00	10/25/2018	100.000
	09/01/2023	891379FT1	5.500%	940,000.00	10/25/2018	100.000
	09/01/2024	891379FT1	5.500%	995,000.00	10/25/2018	100.000
	09/01/2025	891379FT1	5.500%	1,050,000.00	10/25/2018	100.000
	09/01/2026	891379FT1	5.500%	1,105,000.00	10/25/2018	100.000
	09/01/2027	891379FT1	5.500%	1,165,000.00	10/25/2018	100.000
	09/01/2028	891379FT1	5.500%	1,230,000.00	10/25/2018	100.000
				9,780,000.00		
				19,055,000.00		

PROOF OF ARBITRAGE YIELD

Successor Agency to the Redevelopment Agency of the City of Torrance
 2018 Tax Allocation Refunding Bonds
 Preliminary

Date	Debt Service	Total	Present Value to 09/25/2018 @ 2.6233210437%
03/01/2019	282,576.67	282,576.67	279,403.25
09/01/2019	1,686,050.00	1,686,050.00	1,645,531.40
03/01/2020	312,450.00	312,450.00	300,993.29
09/01/2020	1,622,450.00	1,622,450.00	1,542,723.80
03/01/2021	292,800.00	292,800.00	274,807.45
09/01/2021	1,637,800.00	1,637,800.00	1,517,255.97
03/01/2022	265,900.00	265,900.00	243,140.27
09/01/2022	1,660,900.00	1,660,900.00	1,499,072.40
03/01/2023	238,000.00	238,000.00	212,029.67
09/01/2023	1,688,000.00	1,688,000.00	1,484,337.63
03/01/2024	209,000.00	209,000.00	181,404.10
09/01/2024	1,719,000.00	1,719,000.00	1,472,710.10
03/01/2025	171,250.00	171,250.00	144,814.66
09/01/2025	1,761,250.00	1,761,250.00	1,470,088.66
03/01/2026	131,500.00	131,500.00	108,340.00
09/01/2026	1,796,500.00	1,796,500.00	1,460,934.94
03/01/2027	89,875.00	89,875.00	72,141.16
09/01/2027	1,844,875.00	1,844,875.00	1,461,678.07
03/01/2028	46,000.00	46,000.00	35,973.54
09/01/2028	1,886,000.00	1,886,000.00	1,455,819.75
	19,342,176.67	19,342,176.67	16,863,200.12

Proceeds Summary

Delivery date	09/25/2018
Par Value	15,220,000.00
Premium (Discount)	1,801,807.70
Arbitrage expenses	(158,607.58)
Target for yield calculation	16,863,200.12

UNDERWRITER'S DISCOUNT

Successor Agency to the Redevelopment Agency of the City of Torrance
2018 Tax Allocation Refunding Bonds
Preliminary

Underwriter's Discount	\$/1000	Amount
Average Takedown	12.50000	190,250.00
Underwriter's Counsel	0.98555	15,000.00
Day Loan	0.03107	472.83
Ipreo - Dalnet Book Running System	0.05007	762.12
Ipreo - Game Day	0.03266	497.12
Ipreo - News Services Charge	0.00322	48.99
DTC Charges	0.05256	800.00
CUSIP Fees	0.07313	1,113.00
CUSIP Disclosure Fee	0.00230	35.00
CDIAC Fee	0.25000	3,805.00
	13.98056	212,784.06

COST OF ISSUANCE

Successor Agency to the Redevelopment Agency of the City of Torrance
2018 Tax Allocation Refunding Bonds
Preliminary

Cost of Issuance	\$/1000	Amount
Cost of Issuance	21.02497	320,000.00
	21.02497	320,000.00

FORM 8038 STATISTICS

Successor Agency to the Redevelopment Agency of the City of Torrance
 2018 Tax Allocation Refunding Bonds
 Preliminary

Dated Date 09/25/2018
 Delivery Date 09/25/2018

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bonds (Industrial):						
	09/01/2019	1,040,000.00	2.000%	100.405	1,044,212.00	1,040,000.00
	09/01/2020	1,000,000.00	3.000%	102.365	1,023,650.00	1,000,000.00
	09/01/2021	1,025,000.00	4.000%	105.933	1,085,813.25	1,025,000.00
	09/01/2022	1,065,000.00	4.000%	107.488	1,144,747.20	1,065,000.00
	09/01/2023	1,110,000.00	4.000%	108.614	1,205,615.40	1,110,000.00
	09/01/2024	1,155,000.00	5.000%	114.893	1,327,014.15	1,155,000.00
	09/01/2025	1,215,000.00	5.000%	116.167	1,411,429.05	1,215,000.00
	09/01/2026	1,275,000.00	5.000%	117.337	1,496,046.75	1,275,000.00
	09/01/2027	1,340,000.00	5.000%	118.582	1,588,998.80	1,340,000.00
	09/01/2028	1,405,000.00	5.000%	119.535	1,679,466.75	1,405,000.00
Serial Bonds (Downtown):						
	09/01/2019	320,000.00	2.000%	100.405	321,296.00	320,000.00
	09/01/2020	310,000.00	3.000%	102.365	317,331.50	310,000.00
	09/01/2021	320,000.00	4.000%	105.933	338,985.60	320,000.00
	09/01/2022	330,000.00	4.000%	107.488	354,710.40	330,000.00
	09/01/2023	340,000.00	4.000%	108.614	369,287.60	340,000.00
	09/01/2024	355,000.00	5.000%	114.893	407,870.15	355,000.00
	09/01/2025	375,000.00	5.000%	116.167	435,626.25	375,000.00
	09/01/2026	390,000.00	5.000%	117.337	457,614.30	390,000.00
	09/01/2027	415,000.00	5.000%	118.582	492,115.30	415,000.00
	09/01/2028	435,000.00	5.000%	119.535	519,977.25	435,000.00
		15,220,000.00			17,021,807.70	15,220,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	09/01/2028	5.000%	2,199,444.00	1,840,000.00		
Entire Issue			17,021,807.70	15,220,000.00	5.9190	2.6233%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	532,784.06
Proceeds used for credit enhancement	158,607.58
Proceeds allocated to reasonably required reserve or replacement fund	0.00
Proceeds used to currently refund prior issues	16,330,132.73
Proceeds used to advance refund prior issues	0.00
Remaining weighted average maturity of the bonds to be currently refunded	5.8772
Remaining weighted average maturity of the bonds to be advance refunded	0.0000

FORM 8038 STATISTICS

Successor Agency to the Redevelopment Agency of the City of Torrance
 2018 Tax Allocation Refunding Bonds
 Preliminary

Refunded Bonds

Bond Component	Date	Principal	Coupon	Price	Issue Price
(Downtown Redevelopment Project) Tax Allocation Refunding Bonds, 1998 Series A:					
TERM28	09/01/2019	340,000.00	5.600%	100.000	340,000.00
TERM28	09/01/2020	360,000.00	5.600%	100.000	360,000.00
TERM28	09/01/2021	380,000.00	5.600%	100.000	380,000.00
TERM28	09/01/2022	400,000.00	5.600%	100.000	400,000.00
TERM28	09/01/2023	420,000.00	5.600%	100.000	420,000.00
TERM28	09/01/2024	445,000.00	5.600%	100.000	445,000.00
TERM28	09/01/2025	470,000.00	5.600%	100.000	470,000.00
TERM28	09/01/2026	495,000.00	5.600%	100.000	495,000.00
TERM28	09/01/2027	525,000.00	5.600%	100.000	525,000.00
TERM28	09/01/2028	555,000.00	5.600%	100.000	555,000.00
		<u>4,390,000.00</u>			<u>4,390,000.00</u>
(Industrial) Tax Allocation Subordinate Lien Refunding Bonds, 1998 Series B (Uninsured):					
TERM28	09/01/2019	375,000.00	5.625%	98.920	370,950.00
TERM28	09/01/2020	400,000.00	5.625%	98.920	395,680.00
TERM28	09/01/2021	420,000.00	5.625%	98.920	415,464.00
TERM28	09/01/2022	445,000.00	5.625%	98.920	440,194.00
TERM28	09/01/2023	470,000.00	5.625%	98.920	464,924.00
TERM28	09/01/2024	495,000.00	5.625%	98.920	489,654.00
TERM28	09/01/2025	525,000.00	5.625%	98.920	519,330.00
TERM28	09/01/2026	555,000.00	5.625%	98.920	549,006.00
TERM28	09/01/2027	585,000.00	5.625%	98.920	578,682.00
TERM28	09/01/2028	615,000.00	5.625%	98.920	608,358.00
		<u>4,885,000.00</u>			<u>4,832,242.00</u>
(Industrial) Tax Allocation Senior Lien Forward Refunding Bonds, 1999 Series C (Insured):					
TERM28	09/01/2019	760,000.00	5.500%	100.000	760,000.00
TERM28	09/01/2020	800,000.00	5.500%	100.000	800,000.00
TERM28	09/01/2021	845,000.00	5.500%	100.000	845,000.00
TERM28	09/01/2022	890,000.00	5.500%	100.000	890,000.00
TERM28	09/01/2023	940,000.00	5.500%	100.000	940,000.00
TERM28	09/01/2024	995,000.00	5.500%	100.000	995,000.00
TERM28	09/01/2025	1,050,000.00	5.500%	100.000	1,050,000.00
TERM28	09/01/2026	1,105,000.00	5.500%	100.000	1,105,000.00
TERM28	09/01/2027	1,165,000.00	5.500%	100.000	1,165,000.00
TERM28	09/01/2028	1,230,000.00	5.500%	100.000	1,230,000.00
		<u>9,780,000.00</u>			<u>9,780,000.00</u>
		<u>19,055,000.00</u>			<u>19,002,242.00</u>

	Last Call Date	Issue Date	Remaining Weighted Average Maturity
(Downtown Redevelopment Project) Tax Allocation Refunding Bonds, 1998 Series A	10/25/2018	08/19/1998	5.8775
(Industrial) Tax Allocation Subordinate Lien Refunding Bonds, 1998 Series B (Uninsured)	10/25/2018	07/29/1998	5.8832
(Industrial) Tax Allocation Senior Lien Forward Refunding Bonds, 1999 Series C (Insured)	10/25/2018	06/15/1999	5.8740
All Refunded Issues	10/25/2018		5.8772

EXHIBIT H

**PRIOR OFFICIAL STATEMENT COVER FOR OUTSTANDING OBLIGATIONS
AND DEBT SERVICE SCHEDULES**

NEW ISSUE — FULL BOOK ENTRY

Ratings:
Moody's: Baa2
Standard & Poor's: BBB
 (See "RATINGS" herein)

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" herein.

\$8,500,000

REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE
(Downtown Redevelopment Project)
Tax Allocation Refunding Bonds
1998 Series A

Dated: July 15, 1998

Due: September 1, as shown below

The Redevelopment Agency of the City of Torrance (the "Agency") has determined to issue its Redevelopment Agency of the City of Torrance (Downtown Redevelopment Project), Tax Allocation Refunding Bonds, 1998 Series A (the "Bonds"). Proceeds of the Bonds will be used to refund the Agency's outstanding Downtown Redevelopment Project Tax Allocation Refunding Bonds, Series 1992, to repay certain other Agency obligations, to fund a reserve fund for the Bonds and to pay the costs of issuing the Bonds.

The Bonds will be delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to ultimate purchasers ("Beneficial Owners") in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Beneficial Owners will not be entitled to receive delivery of bonds representing their ownership interest in the Bonds. The principal of, premium if any, and interest on the Bonds, due March 1 and September 1 of each year, commencing March 1, 1999, will be payable by BNY Western Trust Company, Los Angeles, California, as trustee (the "Trustee"), to DTC for subsequent disbursement to DTC participants, so long as DTC or its nominee remains the registered owner of the Bonds.

The Bonds are subject to optional and mandatory redemption prior to maturity as described herein.

The Bonds and any debt issued on a parity therewith are limited obligations of the Agency and are payable exclusively from Tax Revenues (as defined herein) to be derived from the tax increment revenue received by the Agency from the Agency's Downtown Redevelopment Project (the "Project Area"), and from amounts on deposit in certain funds and accounts, including the Reserve Account and the Special Fund, as described herein. The receipt of Tax Revenues is subject to certain risks and limitations. See "BONDOWNERS' RISKS" and "LIMITATIONS ON TAX REVENUES" herein.

THE BONDS ARE NOT A DEBT OF THE CITY OF TORRANCE, THE STATE OF CALIFORNIA, OR ANY OF ITS POLITICAL SUBDIVISIONS OTHER THAN THE AGENCY, AND NEITHER THE CITY, THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS, OTHER THAN THE AGENCY, IS LIABLE THEREFOR. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS ARE PAYABLE SOLELY FROM TAX REVENUES ALLOCATED TO THE AGENCY FROM THE PROJECT AREA AND AMOUNTS IN CERTAIN FUNDS AND ACCOUNTS HELD UNDER THE INDENTURE. NEITHER THE MEMBERS OF THE AGENCY, THE MEMBERS OF THE CITY COUNCIL OF THE CITY, NOR ANY PERSONS EXECUTING THE BONDS ARE LIABLE PERSONALLY ON THE BONDS BY REASON OF THEIR ISSUANCE.

This cover page contains certain information for quick reference only. It is not intended to be a summary of all factors relating to an investment in the Bonds. Investors should review the entire Official Statement before making any investment decision.

MATURITY SCHEDULE

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
1999	\$115,000	4.10%	4.10%	2006	\$175,000	4.80%	4.90%
2000	135,000	4.25	4.25	2007	180,000	4.90	5.00
2001	140,000	4.40	4.40	2008	190,000	5.00	5.10
2002	145,000	4.50	4.50	2009	200,000	5.10	5.20
2003	150,000	4.50	4.60	2010	210,000	5.20	5.30
2004	160,000	4.60	4.70	2011	220,000	5.30	5.35
2005	165,000	4.70	4.80	2012	230,000	5.30	5.40

\$1,695,000 5.55% Term Bonds due September 1, 2018, Priced to Yield 5.55%

\$4,390,000 5.60% Term Bonds due September 1, 2028, Priced to Yield 5.60%

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, and subject to certain other conditions. Jones Hall is also acting as Disclosure Counsel to the Agency. Certain legal matters will be passed on for the Agency by Rutan & Tucker, LLP, Costa Mesa, California. It is anticipated that the Bonds, in book-entry form, will be available for delivery through DTC in New York, New York on or about August 19, 1998.

MORGAN STANLEY DEAN WITTER

Dated July 29, 1998

Debt Service Schedule

Scheduled debt service on the Bonds, without regard to any optional redemption, is shown in the following table.

TABLE 1
REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE
Downtown Redevelopment Project
Debt Service Schedule

Bond Year Ending September 1	Principal	Interest	Total
1999	\$115,000	\$514,948.97	\$629,948.97
2000	135,000	451,890.00	586,890.00
2001	140,000	446,152.50	586,152.50
2002	145,000	439,992.50	584,992.50
2003	150,000	433,467.50	583,467.50
2004	160,000	426,717.50	586,717.50
2005	165,000	419,357.50	584,357.50
2006	175,000	411,602.50	586,602.50
2007	180,000	403,202.50	583,202.50
2008	190,000	394,382.50	584,382.50
2009	200,000	384,882.50	584,882.50
2010	210,000	374,682.50	584,682.50
2011	220,000	363,762.50	583,762.50
2012	230,000	352,102.50	582,102.50
2013	245,000	339,912.50	584,912.50
2014	260,000	326,315.00	586,315.00
2015	275,000	311,885.00	586,885.00
2016	290,000	296,622.50	586,622.50
2017	305,000	280,527.50	585,527.50
2018	320,000	263,600.00	583,600.00
2019	340,000	245,840.00	585,840.00
2020	360,000	226,800.00	586,800.00
2021	380,000	206,640.00	586,640.00
2022	400,000	185,360.00	585,360.00
2023	420,000	162,960.00	582,960.00
2024	445,000	139,440.00	584,440.00
2025	470,000	114,520.00	584,520.00
2026	495,000	88,200.00	583,200.00
2027	525,000	60,480.00	585,480.00
2028	<u>555,000</u>	<u>31,080.00</u>	<u>586,080.00</u>
TOTALS	\$8,500,000	\$9,097,326.47	\$17,597,326.47

NEW ISSUE-FULL BOOK ENTRY

Ratings:
Series A Bonds:
 Moody's: Aaa
 Standard & Poor's: AAA
 (MBIA Insured)
Series B Bonds:
 Unrated
 (See "RATINGS" herein)

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Series B Bonds and the Series C Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, interest on the Series A Bonds, the Series B Bonds and the Series C Bonds is exempt from California personal income taxes. See "TAX MATTERS" herein.

\$18,385,000
 Redevelopment Agency of the City of Torrance
 (Torrance Industrial Redevelopment Project)
 Tax Allocation Senior Lien Refunding Bonds (Taxable)
 1998 Series A (Insured)

\$12,770,000
 Redevelopment Agency of the City of Torrance
 (Torrance Industrial Redevelopment Project)
 Tax Allocation Subordinate Lien Refunding Bonds
 1998 Series B (Uninsured)

\$18,500,000
 Redevelopment Agency of the City of Torrance
 (Torrance Industrial Redevelopment Project)
 Tax Allocation Senior Lien Forward Refunding Bonds
 1999 Series C (Insured)

Dated: July 1, 1998 or Settlement Date, as applicable (see "THE BONDS" herein)

Due: September 1, as shown below

The Redevelopment Agency of the City of Torrance (the "Agency") has determined to issue the following series of Bonds for the purposes and under the circumstances described herein: (i) \$18,385,000 principal amount of Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project), Tax Allocation Senior Lien Refunding Bonds (Taxable), 1998 Series A (Insured) (the "Series A Bonds"), (ii) \$12,770,000 principal amount of Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project), Tax Allocation Subordinate Lien Refunding Bonds, 1998 Series B (Uninsured) (the "Series B Bonds") and (iii) \$18,500,000 principal amount of Redevelopment Agency of the City of Torrance (Torrance Industrial Redevelopment Project), Tax Allocation Senior Lien Forward Refunding Bonds, 1999 Series C (Insured) (the "Series C Bonds").

Proceeds of the Series A Bonds and the Series B Bonds will be used to (i) refund the Agency's outstanding Industrial Redevelopment Project Tax Allocation Refunding Bonds, Series 1989 (the "1989 Bonds"), (ii) fund reserve funds for the Series A Bonds and the Series B Bonds, and (iii) pay the costs of issuing the Series A Bonds and the Series B Bonds. The Series C Bonds will be issued, subject to certain conditions, to (i) redeem and refund in whole the Series A Bonds on their first call date (August 1, 1999) and (ii) pay the costs of issuing the Series C Bonds. The Series A Bonds, the Series B Bonds and the Series C Bonds are collectively referred to herein as the "Bonds".

The Bonds will be delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to ultimate purchasers ("Beneficial Owners") in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Beneficial Owners will not be entitled to receive delivery of bonds representing their ownership interest in the Bonds. The principal of, premium, if any, and interest on the Bonds, due March 1 and September 1 of each year (commencing March 1, 1999 on the Series A Bonds and the Series B Bonds and commencing on March 1, 2000 on the Series C Bonds) will be payable by BNY Western Trust Company, Los Angeles, California, as trustee (the "Trustee"), to DTC for subsequent disbursement to DTC participants, so long as DTC or its nominee remains the registered owner of the Bonds.

The Bonds are subject to redemption prior to maturity as described herein. The Agency intends to redeem the Series A Bonds on August 1, 1999 with proceeds of the Series C Bonds, although issuance of the Series C Bonds is subject to satisfaction of certain conditions. (See "FORWARD DELIVERY OF THE SERIES C BONDS".)

The Bonds are limited obligations of the Agency and are payable solely from Pledged Tax Revenues (as defined herein) to be derived from tax increment revenue ("Tax Increment Revenue") received by the Agency from the Torrance Industrial Redevelopment Project (the "Project Area"), plus certain sales and use taxes which the Agency is authorized to receive on transactions occurring within the Project Area ("Sales Tax Revenue") as well as amounts on deposit in certain funds and accounts established with respect to the Bonds, as described herein. The receipt of Pledged Tax Revenues is subject to certain risks and limitations. See "BONDOWNERS' RISKS" and "LIMITATIONS ON TAX INCREMENT REVENUES AND POSSIBLE SPENDING LIMITATIONS" herein.

Payment of principal of and interest on the Series B Bonds is not insured. Moreover, the pledge of Pledged Tax Revenues to payment of debt service on the Series B Bonds is subordinate to the pledge of Pledged Tax Revenues to payment of debt service on the Series A Bonds and the Series C Bonds.

Payment of principal of and interest on the Series A Bonds and the Series C Bonds *only*, when due, will be insured by a financial guaranty insurance policy to be issued simultaneously with the delivery of the Series A Bonds or the Series C Bonds, as applicable, by MBIA Insurance Corporation.



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This cover page contains certain information for quick reference only. It is not intended to be a summary of all factors relating to an investment in the Bonds. Investors should review the entire Official Statement before making any investment decision.

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel and Disclosure Counsel, and subject to certain other conditions. Certain legal matters will be passed on for the Agency by Rutan & Tucker LLP, Costa Mesa, California. It is anticipated that the Series A Bonds and the Series B Bonds, in book-entry form, will be available for delivery through DTC in New York, New York on or about July 29, 1998 and the Series C Bonds will be available for delivery through DTC in New York, New York on or about June 15, 1999.

MORGAN STANLEY DEAN WITTER

Dated: July 14, 1998

SERIES A BONDS MATURITY SCHEDULE

\$990,000 6.19% Series A Term Bonds due September 1, 2003. Priced to Yield 6.19%
 \$1,635,000 6.41% Series A Term Bonds due September 1, 2008. Priced to Yield 6.41%
 \$15,760,000 6.81% Series A Term Bonds due September 1, 2028. Priced to Yield 6.81%

SERIES B BONDS MATURITY SCHEDULE

<u>Maturity Date (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Maturity Date (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2000	\$180,000	4.40%	4.40%	2007	\$445,000	5.00%	5.10%
2001	210,000	4.50	4.55	2008	495,000	5.10	5.20
2002	245,000	4.60	4.65	2009	545,000	5.20	5.30
2003	280,000	4.70	4.75	2010	605,000	5.30	5.40
2004	315,000	4.80	4.85	2011	665,000	5.40	5.50
2005	355,000	4.90	4.95	2012	735,000	5.50	5.60
2006	400,000	5.00	5.05				

\$7,295,000 5.625% Series B Term Bonds due September 1, 2028. Priced to Yield 5.70%

SERIES C BONDS MATURITY SCHEDULE

\$2,980,000 5.00% Series C Term Bonds due September 1, 2008. Priced to Yield 4.80%
 \$5,740,000 5.45% Series C Term Bonds due September 1, 2018. Priced to Yield 5.45%
 \$9,780,000 5.50% Series C Term Bonds due September 1, 2028. Priced to Yield 5.50%

Debt Service Schedule

Scheduled debt service on the Series A Bonds and the Series B Bonds, without regard to any optional redemption, is shown in the following Table 1. *The debt service schedule set forth in Table 1 will be relevant after August 1, 1999 only if the Agency does not optionally redeem the Series A Bonds on that date with proceeds of the Series C Bonds, as the Agency currently expects to do (see "FORWARD DELIVERY OF THE SERIES C BONDS"). If the Agency does exercise its right to redeem the Series A Bonds on August 1, 1999, it will make debt service payments on the Series A Bonds only through that date. See Table 2 below for a schedule of the Agency's expected combined debt service payments on the Series B Bonds and the Series C Bonds after August 1, 1999.*

TABLE 1
REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE
Torrance Industrial Redevelopment Project
Series A Bonds and Series B Bonds
Combined Debt Service Schedule

Bond Year Ending September 1	Series A Bonds			Series B Bonds			Total Combined Debt Service
	Principal	Interest	Total	Principal	Interest	Total	
1999		\$1,445,897.25	\$1,445,897.25		\$803,709.38	\$803,709.38	\$2,249,606.63
2000	\$225,000.00	1,239,340.50	1,464,340.50	\$180,000.00	688,893.75	868,893.75	2,333,234.25
2001	240,000.00	1,225,413.00	1,465,413.00	210,000.00	680,973.75	890,973.75	2,356,386.75
2002	255,000.00	1,210,557.00	1,465,557.00	245,000.00	671,523.75	916,523.75	2,382,080.75
2003	270,000.00	1,194,772.50	1,464,772.50	280,000.00	660,253.75	940,253.75	2,405,026.25
2004	290,000.00	1,178,059.50	1,468,059.50	315,000.00	647,093.75	962,093.75	2,430,153.25
2005	305,000.00	1,159,470.50	1,464,470.50	355,000.00	631,973.75	986,973.75	2,451,444.25
2006	325,000.00	1,139,920.00	1,464,920.00	400,000.00	614,578.75	1,014,578.75	2,479,498.75
2007	345,000.00	1,119,087.50	1,464,087.50	445,000.00	594,578.75	1,039,578.75	2,503,666.25
2008	370,000.00	1,096,973.00	1,466,973.00	495,000.00	572,328.75	1,067,328.75	2,534,301.75
2009	390,000.00	1,073,256.00	1,463,256.00	545,000.00	547,083.75	1,092,083.75	2,555,339.75
2010	420,000.00	1,046,697.00	1,466,697.00	605,000.00	518,743.75	1,123,743.75	2,590,440.75
2011	450,000.00	1,018,095.00	1,468,095.00	665,000.00	486,678.75	1,151,678.75	2,619,773.75
2012	480,000.00	987,450.00	1,467,450.00	735,000.00	450,768.75	1,185,768.75	2,653,218.75
2013	510,000.00	954,762.00	1,464,762.00	805,000.00	410,343.75	1,215,343.75	2,680,105.75
2014	545,000.00	920,031.00	1,465,031.00	285,000.00	365,062.50	650,062.50	2,115,093.50
2015	585,000.00	882,916.50	1,467,916.50	305,000.00	349,031.25	654,031.25	2,121,947.75
2016	620,000.00	843,078.00	1,463,078.00	320,000.00	331,875.00	651,875.00	2,114,953.00
2017	665,000.00	800,856.00	1,465,856.00	340,000.00	313,875.00	653,875.00	2,119,731.00
2018	710,000.00	755,569.50	1,465,569.50	355,000.00	294,750.00	649,750.00	2,115,319.50
2019	760,000.00	707,218.50	1,467,218.50	375,000.00	274,781.25	649,781.25	2,116,999.75
2020	810,000.00	655,462.50	1,465,462.50	400,000.00	253,687.50	653,687.50	2,119,150.00
2021	865,000.00	600,301.50	1,465,301.50	420,000.00	231,187.50	651,187.50	2,116,489.00
2022	925,000.00	541,395.00	1,466,395.00	445,000.00	207,562.50	652,562.50	2,118,957.50
2023	985,000.00	478,402.50	1,463,402.50	470,000.00	182,531.25	652,531.25	2,115,933.75
2024	1,055,000.00	411,324.00	1,466,324.00	495,000.00	156,093.75	651,093.75	2,117,417.75
2025	1,125,000.00	339,478.50	1,464,478.50	525,000.00	128,250.00	653,250.00	2,117,728.50
2026	1,205,000.00	262,866.00	1,467,866.00	555,000.00	98,718.75	653,718.75	2,121,584.75
2027	1,285,000.00	180,805.50	1,465,805.50	585,000.00	67,500.00	652,500.00	2,118,305.50
2028	1,370,000.00	93,297.00	1,463,297.00	615,000.00	34,593.75	649,593.75	2,112,890.75
TOTALS	\$18,385,000.00	\$25,562,752.75	\$43,947,752.75	\$12,770,000.00	\$12,269,026.88	\$25,039,026.88	\$68,986,779.63

Scheduled debt service on the Series B Bonds and the Series C Bonds, without regard to any optional redemption, is shown in the following table.

TABLE 2
REDEVELOPMENT AGENCY OF THE CITY OF TORRANCE
Torrance Industrial Redevelopment Project
Series B Bonds and Series C Bonds
Combined Debt Service Schedule

Bond Year Ending September 1	Series B Bonds			Series C Bonds			Total Combined Debt Service
	Principal	Interest	Total	Principal	Interest	Total	
1999		\$803,709.38	\$803,709.38				\$803,709.38
2000	\$180,000.00	688,893.75	868,893.75	\$85,000.00	\$1,210,784.11	\$1,295,784.11	2,164,677.86
2001	210,000.00	680,973.75	890,973.75	305,000.00	995,480.00	1,300,480.00	2,191,453.75
2002	245,000.00	671,523.75	916,523.75	320,000.00	980,230.00	1,300,230.00	2,216,753.75
2003	280,000.00	660,253.75	940,253.75	335,000.00	964,230.00	1,299,230.00	2,239,483.75
2004	315,000.00	647,093.75	962,093.75	350,000.00	947,480.00	1,297,480.00	2,259,573.75
2005	355,000.00	631,973.75	986,973.75	370,000.00	929,980.00	1,299,980.00	2,286,953.75
2006	400,000.00	614,578.75	1,014,578.75	385,000.00	911,480.00	1,296,480.00	2,311,058.75
2007	445,000.00	594,578.75	1,039,578.75	405,000.00	892,230.00	1,297,230.00	2,336,808.75
2008	495,000.00	572,328.75	1,067,328.75	425,000.00	871,980.00	1,296,980.00	2,364,308.75
2009	545,000.00	547,083.75	1,092,083.75	445,000.00	850,730.00	1,295,730.00	2,387,813.75
2010	605,000.00	518,743.75	1,123,743.75	470,000.00	826,477.50	1,296,477.50	2,420,221.25
2011	665,000.00	486,678.75	1,151,678.75	495,000.00	800,862.50	1,295,862.50	2,447,541.25
2012	735,000.00	450,768.75	1,185,768.75	525,000.00	773,885.00	1,298,885.00	2,484,653.75
2013	805,000.00	410,343.75	1,215,343.75	550,000.00	745,272.50	1,295,272.50	2,510,616.25
2014	285,000.00	365,062.50	650,062.50	585,000.00	715,297.50	1,300,297.50	1,950,360.00
2015	305,000.00	349,031.25	654,031.25	615,000.00	683,415.00	1,298,415.00	1,952,446.25
2016	320,000.00	331,875.00	651,875.00	650,000.00	649,897.50	1,299,897.50	1,951,772.50
2017	340,000.00	313,875.00	653,875.00	685,000.00	614,472.50	1,299,472.50	1,953,347.50
2018	355,000.00	294,750.00	649,750.00	720,000.00	577,140.00	1,297,140.00	1,946,890.00
2019	375,000.00	274,781.25	649,781.25	760,000.00	537,900.00	1,297,900.00	1,947,681.25
2020	400,000.00	253,687.50	653,687.50	800,000.00	496,100.00	1,296,100.00	1,949,787.50
2021	420,000.00	231,187.50	651,187.50	845,000.00	452,100.00	1,297,100.00	1,948,287.50
2022	445,000.00	207,562.50	652,562.50	890,000.00	405,625.00	1,295,625.00	1,948,187.50
2023	470,000.00	182,531.25	652,531.25	940,000.00	356,675.00	1,296,675.00	1,949,206.25
2024	495,000.00	156,093.75	651,093.75	995,000.00	304,975.00	1,299,975.00	1,951,068.75
2025	525,000.00	128,250.00	653,250.00	1,050,000.00	250,250.00	1,300,250.00	1,953,500.00
2026	555,000.00	98,718.75	653,718.75	1,105,000.00	192,500.00	1,297,500.00	1,951,218.75
2027	585,000.00	67,500.00	652,500.00	1,165,000.00	131,725.00	1,296,725.00	1,949,225.00
2028	615,000.00	34,593.75	649,593.75	1,230,000.00	67,650.00	1,297,650.00	1,947,243.75
TOTALS	\$12,770,000.00	\$12,269,026.88	\$25,039,026.88	\$18,500,000.00	\$19,136,824.11	\$37,636,824.11	\$62,675,850.99

