

## **RESOLUTION NO. 20-02-CSA**

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE CARSON REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE OF BONDS TO REFUND CERTAIN OUTSTANDING BONDS OF THE FORMER REDEVELOPMENT AGENCY, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST, A FIRST SUPPLEMENTAL INDENTURE, BOND PURCHASE AGREEMENTS, ESCROW AGREEMENTS AND CONTINUING DISCLOSURE AGREEMENTS, APPROVING THE PRELIMINARY OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT, AND AUTHORIZING TAKING OTHER ACTIONS RELATED THERETO**

**WHEREAS**, prior to the enactment of the dissolution law described below, the Carson Redevelopment Agency (the “Redevelopment Agency”) was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the California Health and Safety Code (together with Parts 1.8 and 1.85 of Division 24, as amended, including by Senate Bill 107, adopted on September 22, 2015, the “Law”), including the power to borrow funds and issue bonds for any of its corporate purposes, including implementation of the provisions of the redevelopment plans enacted within its project areas; and

**WHEREAS**, on October 11, 2010, pursuant to Ordinance No. 10-1459, the City of Carson (the “City”) created the “Carson Consolidated Project Area” by merging its former “Project Area No. 1,” “Project Area No. 4” and “Merged and Amended Project Area” into one merged area to provide flexibility in expending moneys to eliminate blight within all three areas (“Consolidated Project Area”) and to allow for greater financial flexibility to provide funds in any project area regardless of its source; and

**WHEREAS**, the Redevelopment Agency has heretofore issued its \$16,845,000 Carson Redevelopment Agency Carson Merged and Amended Project Area Subordinate Lien Tax Allocation Refunding Bonds, Series 2007A (the “2007 Bonds”) pursuant to the terms of an Indenture of Trust, dated as of October 1, 2007 (the “2007 Indenture”), by and between the Redevelopment Agency and The Bank of New York Trust Company, N.A. as predecessor to The Bank of New York Mellon Trust Company, N.A. (the “Trustee”); and

**WHEREAS**, the Redevelopment Agency has heretofore issued its \$14,940,000 Carson Redevelopment Agency Taxable Tax Allocation Housing Bonds 2010 Series A-T and \$25,620,000 Carson Redevelopment Agency Tax Allocation Housing Bonds 2010 Series A (collectively, the “2010 Bonds”) issued pursuant to the terms of two Indentures of Trust, each dated as of October 1, 2010, by and between the Redevelopment Agency and the Trustee; and

**WHEREAS**, on June 27, 2012, after adopting California Assembly Bill No. 26 (First Extraordinary Session) (“AB1X 26”) on June 29, 2011, which dissolved all redevelopment agencies and community redevelopment agencies in existence in the State of California as of February 1, 2012, and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies, the Legislature adopted Assembly Bill No. 1484, a follow on bill to AB1X 26, which provides a mechanism to refund tax allocation bonds under certain circumstances; and

**WHEREAS**, pursuant to California Health and Safety Code Section 34173(d), the Successor Agency to the Carson Redevelopment Agency (the “Successor Agency”) is the successor to the Redevelopment Agency with respect to the Redevelopment Agency’s outstanding bonds, as confirmed by Resolution No. 12-003 adopted by the City Council of the City of Carson on January 9, 2012; and

**WHEREAS**, the Successor Agency is authorized under Health and Safety Code Section 34177.5(a)(1) to refund bonds as long as the following two conditions are met: first, the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds to be refunded plus the remaining principal of the bonds to be refunded; second, the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the bonds, to establish customary debt service reserves, and to pay related costs of issuance including costs of financial advisors, consultants, counsel and staff related to the refunding (the “Refunding Test”); and

**WHEREAS**, current interest rates are favorable to effect a refinancing of the 2007 Bonds and the 2010 Bonds; and

**WHEREAS**, Harrell & Company Advisors, LLC, the Successor Agency’s Municipal Advisor, has provided information (the “Debt Service Savings Analysis”) to show there are debt service savings associated with a refunding of the 2007 Bonds and 2010 Bonds in sufficient amounts to meet or exceed the Refunding Test; and

**WHEREAS**, to provide moneys to refund the 2010 Bonds, the Successor Agency now wishes to authorize the issuance and sale of certain refunding bonds, designated as “Successor Agency to the Carson Redevelopment Agency Tax Allocation Housing Refunding Bonds, 2020 Series A (Taxable)” (as said name may be adjusted by a Designated Officer, as defined herein), (the “2020A Refunding Bonds”), which 2020A Refunding Bonds may be issued in one or more series, taxable or tax-exempt, under the provisions of Section 34177.5 of the Law and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (collectively, the “Refunding Bond Law”), and to approve the form of and authorize the execution and delivery of an Indenture of Trust, by and between the Successor Agency and the Trustee (the “2020A Indenture”); and

**WHEREAS**, to provide moneys to refund the 2007 Bonds, the Successor Agency now wishes to authorize the issuance and sale of certain refunding bonds, designated as “Successor Agency to the Carson Redevelopment Agency Subordinate Tax Allocation Refunding Bonds, 2020 Series B (Tax-Exempt)” (as said name may be adjusted by a Designated Officer, as defined herein), (the “2020B Refunding Bonds” and together with the 2020A Refunding Bonds, the “Refunding Bonds”), which 2020B Refunding Bonds may be issued in one or more series, taxable or tax-exempt, under the provisions of Section 34177.5 of the Law and the Refunding Bond Law, and to approve the form of and authorize the execution and delivery of a First Supplemental Indenture (the “First Supplemental Indenture”), which supplements and amends that certain Indenture of Trust, dated as of August 1, 2015 (the “Master Indenture” and, together with the First Supplemental Indenture, the “2020B Indenture”), each by and between the Agency and the Trustee; and

**WHEREAS**, if issued, the 2020A Refunding Bonds will be secured by certain tax increment associated with the former Low and Moderate Income Housing Fund of the Redevelopment Agency; and

**WHEREAS**, if issued, the 2020B Refunding Bonds will be secured by certain tax increment in the Redevelopment Property Tax Trust Fund on a subordinate basis to certain existing debt and on a parity basis to the Successor Agency to the Carson Redevelopment Agency Subordinate Tax Allocation Bonds (Taxable), 2015 Series B Bonds and certain other bonds of the Successor Agency; and

**WHEREAS**, in accordance with Section 34177.5(g) of the Law, the Refunding Bonds will be secured by certain moneys deposited in the Redevelopment Property Tax Trust Fund; and

**WHEREAS**, the Successor Agency will sell the Refunding Bonds to Piper Sandler & Co., as representative of itself and of Cabrera Capital Markets, LLC (collectively, the “Underwriters”) pursuant to the terms of (a) with respect to the 2020A Refunding Bonds, a Bond Purchase Agreement, by and between the Successor Agency and the Underwriters (the “2020A Purchase Agreement”) and (b) with respect to the 2020B Refunding Bonds, a Bond Purchase Agreement by and between the Successor Agency and the Underwriters (the “2020B Purchase Agreement”); and

**WHEREAS**, in order to effect the sale of the Refunding Bonds by the Successor Agency, the Successor Agency has prepared for approval a draft of a Preliminary Official Statement for the Refunding Bonds (the “Preliminary Official Statement”); and

**WHEREAS**, in order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Successor Agency has prepared for approval drafts of continuing disclosure agreements by and between the Successor Agency and Digital Assurance Certification, LLC, as dissemination agent, with respect to each series of the Refunding Bonds (the “Continuing Disclosure Agreements”); and

**WHEREAS**, to effectuate the refunding of the 2007 Bonds and the 2010 Bonds, the Successor Agency further desires to approve the form and authorize the execution and delivery of one or more Escrow Deposit and Trust Agreement by and between the Successor Agency and the Trustee acting as Escrow Agent (the “Escrow Agreements”), and to take other actions necessary to effectuate the refunding; and

**WHEREAS**, in compliance with Senate Bill 450 approved on October 9, 2017, adding California Government Code Section 5852.1, the Successor Agency has obtained from its municipal advisor the required good faith estimates of the following information (a) the true interest cost of the bonds, (b) the finance charge of the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

**WHEREAS**, such good faith estimates are disclosed and set forth in Exhibit A attached hereto and incorporated herein; and

**WHEREAS**, the Successor Agency hereby determines in accordance with its Debt Management Policy, adopted by City Council on March 21, 2017 (the “Debt Policy”), that it is in the best interests of the Successor Agency, prudent in the management of its fiscal affairs and debt and therefore in furtherance of its public purposes to undertake the financing described herein; and

**WHEREAS**, pursuant to Health and Safety Code Section 34179, the Second District of the Los Angeles County Consolidated Oversight Boards (the “Oversight Board”) has been established and maintains jurisdiction over the City; and

**WHEREAS**, the Successor Agency desires the Oversight Board to approve and direct the Successor Agency to undertake the financing proceedings herein referenced in this Resolution.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, ACTING AS THE SUCCESSOR AGENCY TO THE CARSON REDEVELOPMENT AGENCY, DOES HEREBY RESOLVE AS FOLLOWS:**

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

**Section 2. Findings.** The Successor Agency hereby makes the following findings:

(1) The Successor Agency hereby approves the Debt Service Savings Analysis.

(2) Due to low interest rates, it is beneficial to the City and all taxing entities to undertake a refunding of the 2007 Bonds and the 2010 Bonds.

(3) The refinancing thresholds set forth in the Refunding Test have been met or shall be met concurrently with the execution and delivery of the 2020A Purchase Agreement and/or 2020B Purchase Agreement, as applicable.

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

(5) The Successor Agency has made use of an independent financial advisor in developing financing proposals and in determining that the issuance of the Refunding Bonds complies with Section 34177.5(a)(1), and the Successor Agency shall make the work products of the financial advisor available to the California State Department of Finance upon request.

**Section 3. Authorization to Proceed.** The Successor Agency hereby approves the issuance of the 2020A Refunding Bonds in a principal amount not to exceed \$30,000,000 and the 2020B Refunding Bonds in a principal amount not to exceed \$15,000,000, the final principal amounts to be determined by the official signing of the 2020A Purchase Agreement and/or 2020B Purchase Agreement, as applicable, in accordance with Section 7 below. The Successor Agency hereby determines that it is prudent in the management of its fiscal affairs and a public purpose to issue the Refunding Bonds, which shall mature on the dates and accrue interest at the rates set forth in the 2020A Purchase Agreement and/or 2020B Purchase Agreement, as applicable, to be executed on behalf of the Successor Agency in accordance with Section 7 hereof.

**Section 4. Approval of the Indentures.** The Refunding Bonds shall be issued pursuant to the Refunding Bond Law and pursuant to the 2020A Indenture and the 2020B Indenture, as

applicable. The Successor Agency hereby approves the 2020A Indenture and the First Supplemental Indenture in the forms on file with the City Clerk, as Secretary of the Successor Agency. The Chair (Mayor), Vice Chair (Mayor Pro Tempore), Treasurer (Finance Director), and Executive Director (City Manager) (the “Designated Officers”), each acting alone, are hereby authorized and directed to execute, and the Secretary (City Clerk) or Assistant or Deputy Secretary (Assistant or Deputy City Clerk) (“Secretary”), is hereby authorized and directed to attest, the 2020A Indenture and the First Supplemental Indenture, in said forms, together with such additions thereto or changes therein as the Designated Officer executing the 2020A Indenture and the First Supplemental Indenture, upon consultation with Bond Counsel, shall deem necessary, desirable or appropriate, and the execution of the 2020A Indenture and the First Supplemental Indenture by a Designated Officer shall be conclusive evidence of the approval of any such additions and changes.

**Section 5. Authorization of Performance of Indentures.** The Successor Agency hereby authorizes the delivery and performance by the Successor Agency of the 2020A Indenture and the 2020 B Indenture. The covenants set forth in the 2020A Indenture and the 2020B Indenture, as applicable, to be executed in accordance with Section 4 above are hereby approved, shall be deemed to be covenants of the Successor Agency, and shall be complied with by the Successor Agency and its officers.

**Section 6. Execution of Bonds.** The Refunding Bonds shall be executed on behalf of the Successor Agency by the manual or facsimile signature of a Designated Officer, and attested with the manual or facsimile signature of the Secretary. The Bank of New York Mellon Trust Company, N.A., is hereby appointed to act as Trustee for the Refunding Bonds.

**Section 7. Approval of Purchase Agreements.** The form of the 2020A Purchase Agreement and the form of the 2020B Purchase Agreement, as applicable, relating to the purchase of the Refunding Bonds by the Underwriters, copies of which is on file with the Secretary, are hereby approved in the forms thereof, or with such changes as may be approved by a Designated Officer, said Designated Officer's execution thereof to constitute conclusive evidence of approval of all such changes, and each Designated Officer is hereby authorized, together or alone, to execute and deliver the 2020A Purchase Agreement and the 2020B Purchase Agreement, as applicable, and to insert in the aforesaid 2020A Purchase Agreement and the 2020B Purchase Agreement, as applicable, the dollar amount which reflects the provisions of said 2020A Purchase Agreement or 2020B Purchase Agreement; provided, however, that the purchase meets the requirements of the Refunding Test and the Underwriters discount shall not exceed 0.60% of the principal amount of the applicable Refunding Bonds thereof, excluding any original issue discount on the applicable Refunding Bonds.

**Section 8. Approval Continuing Disclosure Agreements.** The form of the Continuing Disclosure Agreements, copies of which are attached to the Preliminary Official Statement and is presented at this meeting and on file with the Secretary, are hereby approved in substantially the forms thereof or with such changes as may be approved by a Designated Officer, said Designated Officer's execution thereof to constitute conclusive evidence of said Designated Officer's approval of all such changes, and each Designated Officer be and is hereby authorized, together or alone, to execute and deliver said Continuing Disclosure Agreements.

**Section 9. Approval of the Preliminary Official Statement.** The form of the Preliminary Official Statement presented at this meeting and on file with the Secretary describing the Refunding Bonds, the Successor Agency, the Consolidated Project Area, and certain other information deemed material to an informed investment decision relating to the Refunding Bonds is hereby approved, with such changes as may be approved by a Designated Officer in consultation with Nixon Peabody LLP, as Disclosure Counsel. Any Designated Officer is authorized to deem final the Preliminary Official Statement as of its date for the purpose of Rule 15c2-12 under the Securities Exchange Act of 1934 as amended. The final Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by a Designated Officer, such approval to be conclusively evidenced by the delivery thereof. The Designated Officers are each hereby authorized and directed, for and in the name of and on behalf of the Successor Agency, to execute and deliver the final Official Statement and any supplement or amendment thereto to the Underwriters.

**Section 10. Approval of Escrow Agreements.** The 2007 Bonds and the 2010 Bonds will be refunded pursuant to the terms of one or more Escrow Agreements. The forms of the Escrow Agreements, which are on file with the Secretary, be and are hereby approved in substantially the forms thereof or with such changes as may be approved by a Designated Officer, said Designated Officer's execution thereof to constitute conclusive evidence of said officer's approval of all such changes, and each Designated Officer be and is hereby authorized, together or alone, to execute and deliver the Escrow Agreements.

**Section 11. Valid and Binding Obligation** Pursuant to Section 34177.5(g) of the Law, any bonds authorized by Section 34177.5 shall be considered indebtedness incurred by the dissolved redevelopment agency, with the same legal effect as if the bonds had been issued, incurred, or entered into prior to June 29, 2011, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date, shall be included in the successor agency's Recognized Obligation Payment Schedule, and shall be secured by a pledge of, and lien on, and shall be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of Section 34172, as provided in paragraph (2) of subdivision (a) of Section 34183. Property tax revenues pledged to any such bonds are taxes allocated to the successor agency pursuant to subdivision (b) of Section 33670 and Section 16 of Article XVI of the California Constitution. Pursuant to Section 33641.5 of the Redevelopment Law, a pledge of collateral by a redevelopment agency to secure, directly or indirectly, the payment of the principal or redemption price of, or interest on, any bonds which is issued by or entered into by an agency shall be valid and binding in accordance with the terms of the pledge document from the time the pledge is made for the benefit of pledgees and successors thereto.

**Section 12. Confirmation of Consultants.** The Successor Agency hereby confirms that Aleshire & Wynder LLP shall serve as Bond Counsel at its hourly rate under its contract with the City; that Nixon Peabody, LLP, will serve as Disclosure Counsel in connection with the issuance of the Refunding Bonds; that Harrell & Company Advisors, LLC will serve as Municipal Advisor; and that DHA Consulting will serve as Fiscal Consultant, in connection with the issuance of Refunding Bonds. The Executive Director/ City Manager is hereby authorized to enter into and execute such engagement letters, amendments or contracts as she deems necessary for said services

**Section 13. Appointment of a Bond Underwriters.** The Successor Agency hereby appoints Piper Sandler & Co., as representative of itself and of Cabrera Capital Markets, LLC to serve as Underwriters in connection with the issuance of the Refunding Bonds subject to a the 2020A Purchase Agreement and the 2020B Purchase Agreement, as applicable to be entered into with said underwriters.

**Section 14. Recovery of Costs.** Staff is hereby authorized and ordered to take all actions necessary recover reasonable costs incurred in connection with this transaction from the proceeds of the Refunding Bonds or, if the Successor Agency is not able to issue its bonds or the issuer is not able to issue its bonds relating to the Successor Agency, by including such costs in a future Recognized Obligation Payment Schedule. The recovery of such costs shall be in addition to and shall not count against any administrative cost allowance of the Successor Agency as such allowance is defined in Health and Safety Code Section 34171(b).

**Section 15. Further Action.** Upon approval by the Successor Agency, the Successor Agency hereby directs the Executive Director and other appropriate officers and employees of the Successor Agency to submit or cause to be submitted all legal proceedings and documents, including this Resolution and the Debt Service Savings Analysis, to issue the Refunding Bonds to the Oversight Board and, as provided in Section 34180(j) with the Los Angeles County Administrative Officer, the Los Angeles County Auditor-Controller and the California Department of Finance for consideration at the earliest practical opportunity. The Successor Agency hereby requests the Oversight Board, as authorized by Section 34177.5(f), to direct the Successor Agency to undertake the refunding proceedings and as authorized by Section 34177.5(f) and Section 34180 to approve the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1) and this Resolution.

**Section 16. Official Action.** All actions heretofore taken by the officers and agents of the Successor Agency with respect to the issuance of the Refunding Bonds are hereby approved, confirmed and ratified. The Designated Officers of the Successor Agency and the Secretary and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, including , determining whether the bonds should be tax or tax exempt, one or two series, applying for bond insurance, reserve fund insurance policies, execution and delivery of any and all assignments, certificates, tax certificates, municipal bond insurance commitments and agreements, reserve surety commitments, requisitions, including requisitions for the payment of costs of issuance of the Refunding Bonds, agreements, notices, consents, instruments of conveyance, warrants, final and conclusive determination with respect to the Refunding Bonds, to divide the Refunding Bonds into fewer or additional series, which may be issued on a tax-exempt or taxable basis, as applicable, and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the sale, issuance and delivery of the Refunding Bonds to the purchaser, or purchasers of the Refunding Bonds.

**Section 17. Debt Policy.** The Successor Agency finds that the Refunding Bonds are an authorized form of long-term debt, as that term is defined within the Debt Policy, and that the Refunding Bonds are compliant with and meet all necessary and required conditions of the Debt Policy.

**Section 18.Severability.** If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other

provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency declares that the Successor Agency would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

**Section 19. Effective Date.** This Resolution shall take effect immediately upon its passage.

**PASSED, APPROVED and ADOPTED** this 28th day of January, 2020.

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Albert Robles, Chair

ATTEST:

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Donesia L. Gause Aldana, MMC, Secretary



## **EXHIBIT A**

### **SB 450 GOOD FAITH ESTIMATES**

The good faith estimates set forth herein are provided with respect to the Refunding Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Successor Agency by Harrell & Company Advisors (together, the Successor Agency's "Municipal Advisor").

*Principal Amount of the Refunding Bonds.* The Municipal Advisor has informed the Successor Agency that, based on the Successor Agency's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Refunding Bonds to be sold is as follows (the "Estimated Principal Amount"):

2020A Refunding Bonds	\$25,720,000
2020B Refunding Bonds	\$12,370,000

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

2020A Refunding Bonds	3.36%
2020B Refunding Bonds	2.00%

*Finance Charge of the Refunding Bonds.* The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Refunding Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Refunding Bonds, including bond insurance on the 2020B Refunding Bonds), is as follows:

2020A Refunding Bonds	\$464,000
2020B Refunding Bonds	\$505,000

*Amount of Proceeds to be Received.* The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the Successor Agency for sale of the Refunding Bonds (including the original issue premium on the 2020B Refunding Bonds), less the finance charge of the Refunding Bonds, as estimated above, paid or funded with proceeds of the Refunding Bonds, is as follows:

2020A Refunding Bonds	\$25,256,000
2020B Refunding Bonds	\$14,268,000

*Total Payment Amount.* The Municipal Advisor has informed the Successor Agency that, assuming that the Estimated Principal Amount of the Refunding Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Successor Agency will make to pay debt service on the Refunding Bonds, plus the finance charge for the Refunding Bonds, as described above, not paid with the respective proceeds of the Refunding Bonds, calculated to the final maturity of the Refunding Bonds, and the sum of annual ongoing costs to administer the Refunding Bonds not paid with proceeds of the Refunding Bonds is as follows:

	<u>Debt Service</u>	<u>Administrative Costs</u>
2020A Refunding Bonds	\$32,085,000	\$75,000
2020B Refunding Bonds	\$17,600,000	\$75,000

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates on January 16, 2020. The actual principal amount of the Refunding Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Refunding Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Refunding Bonds sold being different from the respective Estimated Principal Amount, (c) the actual amortization of the Refunding Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Refunding Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Successor Agency's financing plan, or a combination of such factors. The actual date of sale of the Refunding Bonds and the actual principal amount of Refunding Bonds sold will be determined by the Successor Agency based on various factors. The actual interest rates borne by the Refunding Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Refunding Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Successor Agency.