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City of Paramount ❖ 16400 Colorado Avenue ❖ Paramount, CA 90723 ❖ (562) 220-2000 ❖ [www.paramountcity.com](http://www.paramountcity.com)

## NOTICE OF SPECIAL MEETING

### Successor Agency for the Paramount Redevelopment Agency

**NOTICE IS HEREBY GIVEN** that a Special Meeting of the Successor Agency for the Paramount Redevelopment Agency will be held on **Tuesday, August 22, 2023 at 5:00 p.m.** in the Council Chamber at City Hall, 16400 Colorado Avenue, Paramount, California. The purpose of said special meeting is as follows:

#### **RESOLUTION NO. SAPRA 23:002**

Approving the purchase of a Reserve Fund Insurance Policy from Build America Mutual Assurance Company for the outstanding Redevelopment Project Area No. 1 2010 Tax Allocation Bonds, Series A, Bonds Issued by the former Paramount Redevelopment Agency, approving a Seventh Supplement to Indenture of Trust and Debt Service Reserve Agreement, and authorizing and directing authorized officers to execute documents and take other related actions

Notice of this Special Meeting is furnished to each Member of the City Council in compliance with applicable laws of the State of California.

Dated: August 18, 2023

*/s/ Isabel Aguayo*

Isabel Aguayo, Mayor

I, Heidi Luce, City Clerk of the City of Paramount, California, hereby certify that I caused the aforementioned Notice of Special Meeting to be posted on the Paramount City Hall, Paramount Library, Paramount Park Community Center and Paramount Sheriff's Station bulletin boards and on the City's website at least 24 hours prior to the time set for the special meeting in accordance with Government Code Section 54956.

Dated: August 18, 2023

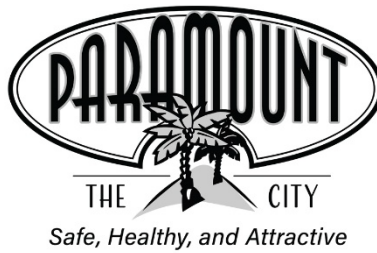
*/s/ Heidi Luce*

Heidi Luce, City Clerk

CF 10.10

# AGENDA

Successor Agency for the Paramount Redevelopment Agency  
August 22, 2023



Special Meeting  
City Hall Council Chamber  
5:00 p.m.

City of Paramount

16400 Colorado Avenue ❖ Paramount, CA 90723 ❖ (562) 220-2000 ❖ [www.paramountcity.com](http://www.paramountcity.com)

**Public Comments:** If you wish to make a statement, please complete a Speaker's Card prior to the commencement of the Public Comments period of the meeting. Speaker's Cards are located at the entrance. Give your completed card to a staff member and when your name is called, please go to the podium provided for the public. Persons are limited to a maximum of three (3) minutes unless an extension of time is granted. No action may be taken on items not on the agenda except as provided by law. For additional ways to participate and provide public comments, see the preceding Public Participation Notice.

**Americans with Disabilities Act:** In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's office at (562) 220-2220 at least 48 hours prior to the meeting to enable the City to make reasonable arrangements to ensure accessibility to this meeting.

**Note:** Agenda items are on file in the City Clerk's office and are available for public inspection during normal business hours. Materials related to an item on this Agenda submitted after distribution of the agenda packet are also available for public inspection during normal business hours in the City Clerk's office. The office of the City Clerk is located at City Hall, 16400 Colorado Avenue, Paramount.

## Notes

CALL TO ORDER:

Mayor Isabel Aguayo

ROLL CALL OF  
COUNCILMEMBERS:

Councilmember Peggy Lemons  
Councilmember Brenda Olmos  
Councilmember Vilma Cuellar Stallings  
Vice Mayor Annette C. Delgadillo  
Mayor Isabel Aguayo

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## **PUBLIC COMMENTS**

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## **NEW BUSINESS**

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1.     [RESOLUTION NO.  
SAPRA 23:002](#)     Approving the purchase of a Reserve Fund Insurance Policy from Build America Mutual Assurance Company for the outstanding Redevelopment Project Area No. 1 2010 Tax Allocation Bonds, Series A, Bonds Issued by the former Paramount Redevelopment Agency, approving a Seventh Supplement to Indenture of Trust and Debt Service Reserve Agreement, and authorizing and directing authorized officers to execute documents and take other related actions

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## **ADJOURNMENT**

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To a meeting on September 12, 2023 at 6:00 p.m.

AUGUST 22, 2023

RESOLUTION NO. SAPRA 23:002

“APPROVING THE PURCHASE OF A RESERVE FUND INSURANCE POLICY FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY FOR THE OUTSTANDING REDEVELOPMENT PROJECT AREA NO. 1 2010 TAX ALLOCATION BONDS, SERIES A, BONDS ISSUED BY THE FORMER PARAMOUNT REDEVELOPMENT AGENCY, APPROVING A SEVENTH SUPPLEMENT TO INDENTURE OF TRUST AND DEBT SERVICE RESERVE AGREEMENT, AND AUTHORIZING AND DIRECTING AUTHORIZED OFFICERS TO EXECUTE DOCUMENTS AND TAKE OTHER RELATED ACTIONS”

MOTION IN ORDER:

READ BY TITLE ONLY AND ADOPT RESOLUTION NO. SAPRA 23:002.

MOTION:

MOVED BY: \_\_\_\_\_

SECONDED BY: \_\_\_\_\_

[ ] APPROVED

[ ] DENIED

ROLL CALL VOTE:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_



**To:** Successor Agency for the Paramount  
Redevelopment Agency

**From:** John Moreno, City Manager

**By:** Kim Sao, Finance Director

**Date:** August 22, 2023

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**Subject: RESOLUTION NO. SAPRA 23:002**  
**APPROVING THE PURCHASE OF A RESERVE FUND INSURANCE**  
**POLICY FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY FOR**  
**THE OUTSTANDING REDEVELOPMENT PROJECT AREA NO. 1 2010**  
**TAX ALLOCATION BONDS, SERIES A, BONDS ISSUED BY THE**  
**FORMER PARAMOUNT REDEVELOPMENT AGENCY, APPROVING A**  
**SEVENTH SUPPLEMENT TO INDENTURE OF TRUST AND DEBT**  
**SERVICE RESERVE AGREEMENT, AND AUTHORIZING AND**  
**DIRECTING AUTHORIZED OFFICERS TO EXECUTE DOCUMENTS AND**  
**TAKE OTHER RELATED ACTIONS**

## **BACKGROUND**

Prior to dissolution, the Paramount Redevelopment Agency (the "Former Agency") issued the following "parity" bonds to finance and refinance improvements in Redevelopment Project Area No. 1:

- Redevelopment Project Area No. 1 Tax Allocation Refunding Bonds, Issue of 1998 (the "1998 Bonds")
- Redevelopment Project Area No. 1 2010 Tax Allocation Bonds, Series A (the "2010A Bonds")
- Redevelopment Project Area No. 1 2010 Taxable Tax Allocation Bonds, Series B (the "2010B Bonds")
- Redevelopment Project Area No. 1 Tax Allocation Refunding Bonds, Series 2015 (the "2015 Bonds")

The 1998 Bonds, the 2010A Bonds, the 2010B Bonds and 2015 Bonds were issued by the Former Agency under a single Indenture of Trust in 1993, which has been supplemented and amended several times (the "Indenture").

**Bonds Outstanding** – As of August 2, 2023, only the 2010A Bonds and 1998 Bonds remain outstanding: \$3,885,000 outstanding principal amount of 2010A Bonds and \$13,315,000 outstanding principal amount of 1998 Bonds. The 2010B Bonds matured in 2020, and the final payment on the 2015 Bonds was made on August 1, 2023.

**Reserve Fund** – A critical provision of the Indenture is the debt service reserve account established and held by the Trustee (BNY Mellon) under the Indenture (the “Reserve Account”). Each bond issue was required to contribute to the Reserve Account an amount required to satisfy the Reserve Requirement allocable to such bonds.

**Reserve Requirement** – The Reserve Requirement is equal to the lesser of 1) 10% of the original principal of bonds issued, or 2) Maximum Annual Debt Service due on all outstanding parity debt. The Reserve Requirement could be met with either a cash deposit or a reserve policy issued by a financial institution with the minimum ratings specified in the Indenture.

- **2010A & 2010B Bonds** – The 2010A Bonds and the 2010B Bonds satisfied the Reserve Requirement allocable to the 2010A Bonds and the 2010B Bonds with a cash deposit from bond proceeds equal to \$1,589,000.
- **1998 Bonds** – In 2015, National Public Finance Guarantee Corporation (“NPFG”) issued a Debt Service Reserve Surety Bond No. equal to \$4,440,000 NP1401150 (the “1998 Reserve Surety Bond”) to satisfy the Reserve Requirement allocable to the 1998 Bonds.

**DSR Reserve Policy for 2010 Bonds** – Staff is recommending that the Successor Agency purchase a reserve fund policy (the “Reserve Policy”) from Build America Mutual Assurance Company (“BAM”). Upon the delivery of the Reserve Policy, the Successor Agency will be authorized under the Indenture to release an amount equal to Reserve Requirement (\$1,281,654), with the consent of the National Public Finance Guarantee (NPFG) Corporation, as insurer of the 1998 Bonds. The accompanying forms of documents to be delivered in connection with the purchase of the Reserve Policy have been submitted to the Successor Agency for approval: 1) Seventh Supplement to Indenture of Trust (the “Seventh Supplement”) between the Successor Agency and the Trustee and 2) Debt Service Reserve Agreement (the “Reserve Agreement”) between the Successor Agency and BAM.

## DISCUSSION

**DSR Reserve Policy** – BAM, one of two remaining municipal bond insurance firms, has agreed to provide the Reserve Policy in the stated amount equal to the current Reserve Requirement for the 2010A Bonds (\$1,281,694).

**Necessary Approvals** – The replacement of cash on deposit in the Reserve Account with the Reserve Policy on the 2010 A Bonds will require the following subsequent approvals:

1. Consolidated Oversight Board Approval (Fourth District) – expected September 29, 2023
2. Department of Finance – expected 45 days after Oversight Board approval
3. Consent of NPFG as insurer of the 1998 Bonds

After the Successor Agency provides its approval, Successor Agency staff will seek consent from NPFG, both of which are not reasonably expected to be withheld. BAM is anticipated to issue the Reserve Policy after these approvals. The Successor Agency is authorized under the Indenture to release a portion of the bond proceeds from the Reserve Account if a reserve fund insurance policy is substituted for the proceeds.

Use of Proceeds – There is currently \$1,717,900 on deposit in the Reserve Account. Under the Indenture, only the amount equal to the Reserve Requirement on the date the Reserve Policy is delivered by BAM may be released to the Successor Agency for deposit into the Redevelopment Fund held by the Successor Agency. Therefore, approximately \$1,281,654 will be distributed to the Successor Agency for deposit into the Redevelopment Fund for the purpose of aiding in financing the Redevelopment Project, including the financing of infrastructure and affordable housing to the extent permitted by law as described below<sup>1</sup>. The remaining amount on deposit in the Reserve Account (totaling approximately \$436,000) will be retained by the Trustee and applied toward future debt service payments on the 2010A Bonds in accordance with the terms of the Indenture. Successor Agency staff currently expects that all monies that are released to the Successor Agency for deposit into the Redevelopment Fund will be applied toward funding economic development, affordable housing, or other eligible public improvement projects.

Oversight Board Approval - According to Rutan & Tucker, special counsel to the Successor Agency, the replacement of a cash-funded reserve account with a reserve policy is considered an administrative matter that is both common practice and authorized under the bond documents. Furthermore, the Health & Safety Code states that the expenditure of bond proceeds “*shall only require approval by the oversight board of the successor agency.*” HSC 34191.4(c)(1)(A).

Financing Team - Given the specialized nature and complexity of this transaction, the Successor Agency staff recommends the selection of Kosmont Financial Services, as municipal advisor, the firm of Jones Hall, A Professional Law Corporation, as bond counsel, and the firm of Rutan & Tucker, LLP, as special counsel. The proposed resolution authorizes the Authorized Officers, each acting alone, to execute professional services agreements with each such firm.

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<sup>1</sup> Section 34191.4(c)(1)(A), bond proceeds derived from bonds issued on or before December 31, 2010 (like the 2010A Bonds and 2010B Bonds), in excess of the amounts needed to satisfy approved enforceable obligations shall thereafter be expended in a manner consistent with the original bond covenants. In accordance with the bond covenants and other provisions set forth in the Indenture, the Trustee will transfer the bond proceeds that are released from the Reserve Account to the Successor Agency for deposit into the Redevelopment Fund as a result of the purchase of the Reserve Policy and will be used for the purpose of aiding in financing the Redevelopment Project, including the financing of infrastructure and affordable housing to the extent permitted by law.

## **FISCAL IMPACT**

The costs associated with this transaction, which is similar to a traditional bond issuance, total approximately \$150,000, which includes \$98,000 in financial and legal costs, plus \$50,000 in DSR Surety-related costs. The cost of the BAM DSR Surety Policy and Legal fees is \$30,000, plus an estimated \$20,000 in consent fees of NPFG, as insurer of the 1998 Bonds. All fees are contingent upon the successful closing of this transaction. The Staff proposes to pay these fees with a portion of the bond proceeds released from the Reserve Account, after DOF Approval and BAM deliver the DSR Surety Policy.

## **VISION, MISSION, VALUES, AND STRATEGIC OUTCOMES**

The City's Vision, Mission, and Values set the standard for the organization; establish priorities, uniformity, and guidelines; and provide the framework for policy decision making. The Strategic Outcomes were implemented to provide a pathway to achieving the City's Vision. This item aligns with Strategic Outcome No. 6 Efficient, Effective, and Fiscally Responsible.

## **RECOMMENDED ACTION**

It is recommended that the Successor Agency for the Paramount Redevelopment Agency read by title only and adopt Resolution No. SAPRA 23:002.

### **Attachments:**

- 1) Resolution No. 23:002
- 2) Seventh Supplement to Indenture of Trust
- 3) Debt Service Reserve Agreement



CITY OF PARAMOUNT  
LOS ANGELES COUNTY, CALIFORNIA

**SUCCESSOR AGENCY FOR THE PARAMOUNT REDEVELOPMENT AGENCY  
RESOLUTION NO. SAPRA 23:002**

A RESOLUTION OF THE SUCCESSOR AGENCY FOR THE PARAMOUNT REDEVELOPMENT AGENCY APPROVING THE PURCHASE OF A RESERVE FUND INSURANCE POLICY FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY FOR THE OUTSTANDING REDEVELOPMENT PROJECT AREA NO. 1 2010 TAX ALLOCATION BONDS, SERIES A, BONDS ISSUED BY THE FORMER PARAMOUNT REDEVELOPMENT AGENCY, APPROVING A SEVENTH SUPPLEMENT TO INDENTURE OF TRUST AND DEBT SERVICE RESERVE AGREEMENT, AND AUTHORIZING AND DIRECTING AUTHORIZED OFFICERS TO EXECUTE DOCUMENTS AND TAKE OTHER RELATED ACTIONS

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the Paramount Redevelopment Agency (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 for the Paramount Redevelopment Agency (the "Successor Agency") has become the successor entity to the Former Agency; and

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued the following bonds, among others, for the purpose of financing and refinancing redevelopment activities:

- (a) Paramount Redevelopment Agency Redevelopment Project Area No. 1 Compound Interest Tax Allocation Refunding Bonds, Issue of 1998 (the "1998 Bonds");
- (b) Paramount Redevelopment Agency Redevelopment Project Area No. 1 2010 Tax Allocation Bonds, Series A (the "2010A Bonds"); and
- (c) Paramount Redevelopment Agency Redevelopment Project Area No. 1 2010 Taxable Tax Allocation Bonds, Series B (the "2010B Bonds"); and

WHEREAS, the 1998 Bonds, the 2010A Bonds and the 2010B Bonds were issued by the Former Agency pursuant to an Indenture of Trust dated as of June 1, 1993, by and between the Successor Agency, as successor to the Former Agency, and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), as

supplemented and amended from time to time prior to the date hereof (as so supplemented and amended, the "Indenture"); and

WHEREAS, the Former Agency used a portion of the proceeds of the 2010A Bonds and the 2010B Bonds to fund a deposit to a debt service reserve account established under the Indenture (the "Reserve Account"); and

WHEREAS, the 1998 Bonds and the 2010A Bonds are outstanding, and the 2010B Bonds have matured in full, as of the date hereof; and

WHEREAS, with the consent of National Public Finance Guarantee Corporation as insurer of the 1998 Bonds, the Successor Agency is authorized to release all or a portion of the bond proceeds from the Reserve Account if a reserve fund insurance policy is substituted for the proceeds; and

WHEREAS, Successor Agency staff is recommending that the Successor Agency purchase a reserve fund insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM"), and there has been submitted to the Successor Agency forms of a Seventh Supplement to Indenture of Trust (the "Seventh Supplement") between the Successor Agency and the Trustee and a Debt Service Reserve Agreement (the "Reserve Agreement") between the Successor Agency and BAM; and

WHEREAS, in accordance with the bond covenants and other provisions set forth in the Indenture, the Trustee will transfer the bond proceeds that are released from the Reserve Account to the Successor Agency for deposit into the Redevelopment Fund by operation of the purchase of the Reserve Policy and used for the purpose of aiding in financing the Redevelopment Project, including the financing of infrastructure and affordable housing to the extent permitted by law; and

WHEREAS, the Fourth Supervisorial District Consolidated Oversight Board ("Oversight Board") has jurisdiction over the Successor Agency; and

WHEREAS, pursuant to Section 34180(b), the purchase by the Successor Agency of the Reserve Policy from BAM and the execution and delivery by the Successor Agency of the Seventh Supplement and the Debt Service Reserve Agreement are subject to the approval of the Oversight Board; and

WHEREAS, the Successor Agency is now requesting that the Oversight Board approve the purchase by the Successor Agency of the Reserve Policy from BAM and the execution and delivery by the Successor Agency of the Seventh Supplement and the Debt Service Reserve Agreement, and make certain determinations upon which the Successor Agency will rely in undertaking said purchase;

NOW, THEREFORE, BE IT RESOLVED BY THE SUCCESSOR AGENCY FOR THE PARAMOUNT SUCCESSOR AGENCY AS FOLLOWS:

**SECTION 1. Recitals.** The Successor Agency hereby finds that the recitals are true and correct.

**SECTION 2. Reserve Policy.** The Successor Agency hereby approves the purchase by the Successor Agency of the Reserve Policy from BAM.

**SECTION 3. Seventh Supplement and Debt Service Reserve Agreement.** The Successor Agency hereby approves the Seventh Supplement and the Reserve Agreement, in substantially the forms on file with the City Clerk of the City of Paramount, California (the "City"), as the Secretary of the Successor Agency. The Mayor of the City, as the Chair and presiding officer of the Successor Agency, the City Manager of the City, as the chief administrative officer of the Successor Agency, and the Finance Director of the City, as the chief financial officer of the Successor Agency, on behalf of the Successor Agency (the "Authorized Officers") each acting alone, is hereby authorized and directed to execute and deliver the Seventh Supplement and the Reserve Agreement for and in the name and on behalf of the Successor Agency, and the City Clerk of the City, as the Secretary of the Successor Agency, is hereby authorized and directed to attest thereto, if applicable. The Seventh Supplement and the Reserve Agreement shall be executed in substantially the forms on file with the City Clerk of the City, as the Secretary of the Successor Agency, together with such additions or changes as are approved by an Authorized Officer upon consultation with the Successor Agency's General Counsel and Bond Counsel. The approval of such additions or changes shall be conclusively evidenced by the execution and delivery by an Authorized Officer of the Seventh Supplement and the Reserve Agreement.

**SECTION 4. Actions Authorized.** All actions heretofore taken by the officers and agents of the Successor Agency with respect to the purchase of the Reserve Policy and the execution and delivery of the Seventh Supplement and the Reserve Agreement are hereby approved, confirmed and ratified, and the appropriate officers of the Successor Agency are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to accomplish the purchase of the Reserve Policy, the execution and delivery of the Seventh Supplement and the Reserve Agreement in accordance with this resolution and the expenditure of bond proceeds that are released from the Reserve Account to the Successor Agency for deposit into the Redevelopment Fund by operation of the purchase of the Reserve Policy in connection therewith, including but not limited to execute one or more agreements from time to time with the City relating to the expenditure of bond proceeds that are released from the Reserve Account in connection therewith and any certificates, agreements, and other documents described in the documents herein approved. All actions to be taken by an Authorized Officer, as defined herein, may be taken by such Authorized Officer or any designee, with the same force and effect as if taken by the Authorized Officer.

**SECTION 5. Professional Services.** The selection of Kosmont Financial Services, as municipal advisor, the firm of Jones Hall, A Professional Law Corporation, as bond counsel, and the firm of Rutan & Tucker, LLP, as special counsel, is hereby confirmed.

The Authorized Officers, each acting alone, are hereby authorized to execute professional services agreement with each such firm.

**SECTION 6. Oversight Board Approval.** The Successor Agency hereby requests the Oversight Board, pursuant to Section 34180(b), approve the purchase by the Successor Agency of the Reserve Policy from BAM and the execution and delivery by the Successor Agency of the Seventh Supplement and the Debt Service Reserve Agreement.

**SECTION 7. Determination by the Oversight Board.** The Successor Agency requests that the Oversight Board make a determination to the effect that the Successor Agency is authorized to recover its costs related to the purchase of the Reserve Policy with the bond proceeds that are released from the Reserve Account to the Successor Agency for deposit into the Redevelopment Fund by operation of the purchase of the Reserve Policy, including advisory and legal costs and costs of reimbursing the City for administrative staff time spent in connection therewith, upon which the Successor Agency will rely in undertaking the purchase of the Reserve Policy.

**SECTION 8. Effectiveness.** This resolution shall take effect immediately upon its passage and adoption.

**SECTION 9. Transmittal.** The Successor Agency is hereby directed to transmit this resolution to the Oversight Board and, as provided in Section 34180(j) of the Code, with the county administrative officer of Los Angeles County, the Auditor-Controller of Los Angeles County, and the California Department of Finance.

PASSED, APPROVED and ADOPTED by the Successor Agency for the Paramount Redevelopment Agency at a meeting held on this 22<sup>nd</sup> day of August, 2023.

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Isabel Aguayo, Mayor

ATTEST:

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Heidi Luce, City Clerk

**SEVENTH SUPPLEMENT TO INDENTURE OF TRUST**

**Dated as of [Month] 1, 2023**

**by and between the**

**SUCCESSOR AGENCY FOR THE  
PARAMOUNT REDEVELOPMENT AGENCY**

**and**

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

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## SEVENTH SUPPLEMENT TO INDENTURE OF TRUST

This SEVENTH SUPPLEMENT TO INDENTURE OF TRUST (this “Seventh Supplement”), dated as of [Month] 1, 2023, is by and between the SUCCESSOR AGENCY FOR THE PARAMOUNT REDEVELOPMENT AGENCY, an entity duly existing under the laws of the State of California (the “Successor Agency”), as successor to the former PARAMOUNT REDEVELOPMENT AGENCY (the “Former 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”), as successor trustee to First Interstate Bank of California, Wells Fargo Bank and BNY Western Trust Company;

### WITNESSETH:

WHEREAS, the Former Agency was duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law, being Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California (the “Law”), including the power to issue bonds for any of its corporate purposes; and

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all 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; and

WHEREAS, prior to the dissolution of the Former Agency, a redevelopment plan for the Agency’s Redevelopment Project Area No. 1 (the “Project”), in the City of Paramount (the “City”), was adopted in compliance with all requirements of the Law; and

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued the following bonds, among others, for the purpose of financing and refinancing redevelopment activities:

- (a) Paramount Redevelopment Agency Redevelopment Project Area No. 1 Compound Interest Tax Allocation Refunding Bonds, Issue of 1998 (the “1998 Bonds”);
- (b) Paramount Redevelopment Agency Redevelopment Project Area No. 1 2010 Tax Allocation Bonds, Series A (the “2010A Bonds”); and
- (c) Paramount Redevelopment Agency Redevelopment Project Area No. 1 2010 Taxable Tax Allocation Bonds, Series B (the “2010B Bonds”); and

WHEREAS, the 1998 Bonds, the 2010A Bonds and 2010B Bonds were issued by the Former Agency pursuant to an Indenture of Trust dated as of June 1, 1993, by and between the Successor Agency, as successor to the Former Agency, and the Trustee, as supplemented and amended from time to time prior to the date hereof (as so supplemented and amended, the “1993 Indenture”); and

WHEREAS, the Former Agency used a portion of the proceeds of the 2010A Bonds and the 2010B Bonds to fund a deposit to the Reserve Account established under the 1993 Indenture; and

WHEREAS, 2010B Bonds have matured in full and only the 1998 Bonds and the 2010A Bonds remain Outstanding under the Indenture as of the date hereof; and

WHEREAS, with the consent of National Public Finance Guarantee Corporation as Insurer of the 1998 Bonds, the Successor Agency is authorized to release all or a portion of the bond proceeds from the Reserve Account if a reserve fund insurance policy is substituted for the proceeds provided the conditions therefor in Section 4.03(d) are satisfied; and

WHEREAS, National Public Finance Guarantee Corporation previously issued its Debt Service Reserve Surety Bond No. NP1401150 (the "1998 Reserve Surety Bond") to satisfy the Reserve Requirement allocable to the 1998 Bonds; and

WHEREAS, in its Resolution No. \_\_\_\_\_, adopted on \_\_\_\_\_, 2023, among other matters, the Successor Agency approved the purchase of a reserve fund insurance policy from Build America Mutual Assurance Company and the release of funds from the Reserve Account; and

WHEREAS, as permitted by Section 7.01(a) of the 1993 Indenture, the Successor Agency and the Trustee now desire to amend the 1993 Indenture to reflect (i) the prior delivery of the 1998 Reserve Surety Bond and (ii) the purchase by the Successor Agency of a reserve fund insurance policy from Build America Mutual Assurance Company to satisfy a portion of the Reserve Requirement as of the date hereof and add covenants and agreements of the Successor Agency to the 1993 Indenture in connection therewith; and

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto do hereby agree as follows:

SECTION 1. Amendment of 1993 Indenture. The 1993 Indenture is hereby further amended as follows:

(a) Section 1.02 of the 1993 Indenture is hereby amended by adding thereto the following new defined terms in alphabetical order:

"1998 Reserve Insurer" means National Public Finance Guarantee Corporation, and its successors and assigns, as issuer of the 1998 Reserve Surety Bond.

"1998 Reserve Surety Bond" means the Debt Service Reserve Surety Bond No. NP1401150 issued by 1998 Reserve Insurer on June 30, 2015, in the stated amount of \$4,440,000.

"1998 Reserve Subaccount of the Reserve Account" means the subaccount in the Reserve Account established and held by the Trustee pursuant to Section 4.03(d).

"2010A Late Payment Rate" means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the 2010A Bonds, and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The 2010A Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime

Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the 2010A Reserve Insurer in its sole and absolute discretion shall specify.

"2010A Reserve Account Agreement" means the Debt Service Reserve Agreement, dated \_\_\_\_\_, 2023, with respect to the 2010A Bonds, by and between the Successor Agency and the 2010A Reserve Insurer.

"2010A Reserve Insurer" means Build America Mutual Assurance Company, and its successors and assigns, as issuer of the 2010A Reserve Policy.

"2010A Reserve Policy" means Municipal Bond Debt Service Reserve Policy No. \_\_\_\_\_ issued by 2010A Reserve Insurer on \_\_\_\_\_, 2023, in the initial stated amount of \$\_\_\_\_\_.

"2010A Reserve Policy Costs" means amounts required to repay and reimburse the 2010A Reserve Insurer for draws on the 2010A Reserve Policy and expenses of the 2010A Reserve Insurer, and accrued interest thereon.

"2010A Reserve Subaccount of the Reserve Account" means the subaccount in the Reserve Account established and held by the Trustee pursuant to Section 4.03(d).

(b) Section 4.02 of the 1993 Indenture is hereby amended to read in its entirety as follows:

There has been established a special trust fund known as the "Redevelopment Obligation Retirement Fund," which shall be held by the Successor Agency pursuant to section 34170.5 of the Dissolution Act. There is hereby established a special trust fund known as the "Special Fund" and the accounts therein referred to below which shall be held by the Trustee. The Successor Agency shall deposit all of the Tax Revenues received in any Bond Year in the Redevelopment Obligation Retirement Fund promptly upon receipt thereof by the Successor Agency, and within five (5) business days of receipt thereof shall transfer amounts received to the Trustee. Promptly upon receipt the Trustee shall deposit all such amounts in the Special Fund established and held by the Trustee under this Indenture until such time during such Bond Year as the amounts so transferred to the Special Fund hereunder equal the aggregate amounts required to be deposited by the Trustee into the Interest Account, the Principal Account, the Sinking Account, the Reserve Account and the Redemption Account of the Special Fund in such Bond Year pursuant to Section 4.03 and for deposit in such Bond Year in the funds and accounts established with respect to Parity Bonds, as provided in any Supplemental Indenture.

(c) The second full paragraph of Section 4.03(d) of the 1993 Indenture is hereby amended by adding the following sentence immediately after the first sentence thereof.

Such amount of money shall be transferred without preference or priority to each subaccount within the Reserve Account to the extent needed to increase the amount then on deposit in such subaccount to the Reserve Requirement allocable to the Bonds secured thereby.

(d) Section 4.03(d) of the 1993 Indenture is hereby amended by adding thereto the following new paragraphs to appear immediately after the existing paragraphs:



The Trustee shall establish a "1998 Reserve Subaccount" within the Reserve Account solely as security for the 1998 Bonds. The portion of the Reserve Requirement allocable to the 1998 Bonds was previously satisfied by the delivery of the 1998 Reserve Surety Bond by 1998 Reserve Insurer to the Trustee. The Trustee shall credit the 1998 Reserve Surety Bond to the 1998 Reserve Subaccount of the Reserve Account. The Trustee shall draw on the 1998 Reserve Surety Bond in accordance with its terms and conditions and the terms of this Indenture in order to pay debt service on the 1998 Bonds.

The amounts available under the 1998 Reserve Surety Bond shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts with respect to the payment of debt service on the 1998 Bonds. Amounts on deposit in the 1998 Reserve Subaccount of the Reserve Account shall not be available to pay debt service on the 2010A Bonds or any other Parity Bonds.

The Trustee shall comply with all documentation relating to the 1998 Reserve Surety Bond as shall be required to maintain the 1998 Reserve Surety Bond in full force and effect and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this Section 4.03(d).

The Trustee shall also establish a "2010A Reserve Subaccount" within the Reserve Account solely as security for the 2010A Bonds. The portion of the Reserve Requirement allocable to the 2010A Bonds shall be satisfied by the delivery of the 2010A Reserve Policy by 2010A Reserve Insurer to the Trustee on \_\_\_\_\_, 2023 (the "Purchase Date"), and the Trustee shall credit the 2010A Reserve Policy to the 2010A Reserve Subaccount of the Reserve Account upon receipt thereof. The Trustee shall draw on the 2010A Reserve Policy in accordance with its terms and conditions and the terms of this Indenture in order to pay debt service on the 2010A Bonds.

On the Purchase Date, the Trustee shall transfer a portion of the moneys in the Reserve Account in the amount of \$\_\_\_\_\_, representing the portion of the Reserve Requirement allocable to the 2010A Bonds on the date hereof, to the Successor Agency for deposit into the Redevelopment Fund. The Successor Agency shall use all such moneys for the purpose of aiding in financing the Redevelopment Project, including infrastructure and affordable housing to the extent permitted by law, as set forth in Section 3.03(a).

The amounts available under the 2010A Reserve Policy shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts with respect to the payment of debt service on the 2010A Bonds. Amounts on deposit in the 2010A Reserve Subaccount of the Reserve Account shall not be available to pay debt service on the 1998 Bonds or any other Parity Bonds.

The Trustee shall comply with all documentation relating to the 2010A Reserve Policy as shall be required to maintain the 2010A Reserve Policy in full force and effect and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this Section 4.03(d).

(e) The 1993 Indenture is hereby further amended by adding thereto the following new Section 13.17:

Section 13.17. Provisions Relating to 2010A Reserve Policy. With respect to the 2010A Reserve Policy, notwithstanding anything to the contrary set forth herein, the Successor Agency and the Trustee agree to comply with the following provisions:

(a) The Successor Agency shall repay any draws under the 2010A Reserve Policy and pay all related reasonable expenses incurred by the 2010A Reserve Insurer and shall pay interest on such draws and expenses from the date of payment by the 2010A Reserve Insurer at the 2010A Late Payment Rate.

(b) Payment of 2010A Reserve Policy Costs shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of 2010A Reserve Policy Costs related to such draw.

(c) Amounts in respect of 2010A Reserve Policy Costs paid to the 2010A Reserve Insurer shall be credited first to interest due, then to the expenses due and then to principal (the amount drawn under the 2010A Reserve Policy) due. As and to the extent that payments are made to the 2010A Reserve Insurer on account of principal due, the coverage under the 2010A Reserve Policy will be reinstated by a like amount, subject to the terms of the 2010A Reserve Policy.

(d) All cash and investments in 2010A Reserve Subaccount of the Reserve Account, if any, shall be transferred to the Interest Account and/or the Principal Account for payment of principal (including mandatory sinking account redemption payments) of and interest on the 2010A Bonds before any drawing may be made on the 2010A Reserve Policy or any other credit facility that is credited to the 2010A Reserve Subaccount of the Reserve Account in lieu of cash in accordance with the terms of the Indenture to satisfy the portion of the Reserve Requirement for the 2010A Bonds (each a "2010A Bonds Credit Facility"). Payment of any 2010A Reserve Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all 2010A Bonds Credit Facilities (including the 2010A Reserve Policy) on deposit in the 2010A Reserve Subaccount of the Reserve Account which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the 2010A Reserve Subaccount of the Reserve Account. Payment of 2010A Reserve Policy Costs and reimbursement of amounts with respect to other 2010A Bonds Credit Facilities on deposit in the 2010A Reserve Subaccount of the Reserve Account shall be made on a pro-rata basis prior to replenishment of any cash drawn from the 2010A Reserve Subaccount of the Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable 2010A Bonds Credit Facility without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(e) Draws on the 2010A Reserve Policy may only be used to make payments on the 2010A Bonds.

(f) If the Successor Agency shall fail to pay any 2010A Reserve Policy Costs in accordance with the requirements of this section, the 2010A Reserve Insurer shall be

entitled to exercise any and all legal and equitable remedies available to it, including those provided hereunder, other than: (i) acceleration of the maturity of the 2010A Bonds; or (ii) remedies which would adversely affect Owners of the 2010A Bonds. The Indenture shall not be discharged until all 2010A Reserve Policy Costs owing to the 2010A Reserve Insurer shall have been paid in full. The Successor Agency's obligation to pay such amounts shall expressly survive payment in full of the 2010A Bonds.

(g) The 2010A Reserve Policy shall expire and terminate in accordance with the terms and provisions of the 2010A Reserve Policy and the 2010A Reserve Account Agreement.

(h) Any amendment, supplement, modification to, or waiver of this Indenture that requires the consent of the Owners of the 2010A Bonds or adversely affects the rights or interest of the 2010A Reserve Insurer shall be subject to the prior written consent of the 2010A Reserve Insurer.

(i) The 2010A Reserve Insurer is recognized as and shall be deemed to be a third party beneficiary of this Indenture and may enforce the provisions hereof as if it were a party hereto.

(j) The Trustee shall ascertain the necessity for a claim upon the 2010A Reserve Policy in accordance with the provisions of this section and provide notice to the 2010A Reserve Insurer in accordance with the terms of the 2010A Reserve Policy at least five (5) Business Days prior to each date upon which interest or principal (or mandatory sinking account redemption payment) is due on the 2010A Bonds. The 2010A Reserve Policy shall expire on the earlier of the date the 2010A Bonds are no longer Outstanding or the final maturity of the 2010A Bonds.

(k) The Successor Agency agrees unconditionally that it will pay or reimburse the 2010A Reserve Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the 2010A Reserve Insurer may pay or incur, including, but not limited to, fees and expenses of the 2010A Reserve Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Indenture ("2010A Reserve Policy Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the 2010A Reserve Insurer spent in connection with the actions described in the preceding sentence. The Successor Agency agrees that failure to pay any 2010A Reserve Policy Administrative Expenses on a timely basis will result in the accrual of interest on the unpaid amount at the 2010A Late Payment Rate, compounded semi-annually, from the date that payment is first due to the 2010A Reserve Insurer until the 2010A Reserve Insurer is paid in full.

(l) Payments made by the 2010A Reserve Insurer under the 2010A Reserve Policy with respect to claims for interest on or principal of the 2010A Bonds shall not discharge the obligation of the Successor Agency with respect to such 2010A Bonds, and the 2010A Reserve Insurer shall become the owner of such unpaid 2010A Bonds and claims for the interest thereon. The Successor Agency and the Trustee recognize and agree that to the extent the 2010A Reserve Insurer makes payments directly or indirectly (e.g. by paying through the Trustee), on account of principal of or interest on the 2010A Bonds, the 2010A Reserve Insurer will be subrogated to the rights of such

holders to receive the amount of such principal and interest from the Successor Agency, with interest thereon. The Successor Agency will not owe any amounts under this paragraph to the extent it has fully paid the 2010A Policy Costs related to any payments made by the 2010 Reserve Insurer and any amounts owed under this paragraph will be subordinate to debt service on the 2010A Bonds and Parity Bonds.

(m) In order to secure the Successor Agency's payment obligations with respect to the 2010A Reserve Policy Costs, there is hereby granted and perfected in favor of the 2010A Reserve Insurer a security interest (subordinate only to that of the owners of the 2010A Bonds and any Parity Bonds and on a parity basis with the Successor Agency's obligation to reimburse any other credit facility for the 2010A Bonds or Parity Bonds and to replenish the debt service reserve funds, accounts and subaccounts for other Parity Bonds) in all revenues pledged as security for the 2010A Bonds. The Successor Agency shall not make payments from or pledge, assign or grant a security interest in such pledged revenues to any provider of a 2010A Bonds Credit Facility or a credit facility for Parity Bonds that is senior or prior to the payments or security interest granted to the 2010A Reserve Insurer pursuant to this Section 13.07(m).

(n) The Successor Agency will provide the 2010A Reserve Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Certificate related to the 2010A Bonds and (ii) to the holders of 2010A Bonds or the Trustee under the Indenture. In addition, the Successor Agency shall provide the 2010A Reserve Insurer with the following notices and other information: (i) notice of any draw upon the 2010A Reserve Subaccount of the Reserve Account within two (2) Business Days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Reserve Requirement allocable to the 2010A Bonds; and (ii) prior written notice of the advance refunding or redemption of any of the 2010A Bonds, including the principal amount, maturities and CUSIP numbers thereof. The 2010A Reserve Insurer shall be entitled to receive such additional information as it may reasonably request. The notices and other information to be provided by the Successor Agency to the 2010A Reserve Insurer pursuant to this Section 13.07(n), may be provided by the Successor Agency by sending an electronic link to such notices and other information provided to the holders of 2010A Bonds on EMMA or such other Information Services then in effect to [notices@buildamerica.com](mailto:notices@buildamerica.com).

(o) The Successor Agency agrees, consents and will cooperate in good faith to provide information reasonably requested by the 2010A Reserve Insurer and will further provide appropriately designated individuals and officers to discuss the affairs, finances and accounts of the Successor Agency or any other matter as the 2010A Reserve Insurer may reasonably request. The books of records and accounts maintained by the Successor Agency and the Trustee pursuant to Sections 5.05 and 6.08 of the Indenture shall at all times during normal business hours and upon reasonable prior notice in writing be subject to inspection by the 2010A Reserve Insurer or its agents or representatives who have been duly authorized in writing.

(p) The Successor Agency shall provide the 2010A Reserve Insurer with copies of all Recognized Obligation Payment Schedules submitted and any and all correspondence received from the State Department of Finance relating to or which could affect payments on the 2010A Bonds upon receipt, except for requests for copies of agreements or other supporting documentation by the State Department of Finance to support a Recognized Obligation Payment Schedule submitted by the Successor

Agency. Documents posted by the State Department of Finance under their existing procedures on the State Department of Finance website shall meet this requirement. In the event that the Successor Agency is a party to a meet and confer with the State Department of Finance that relates to the payment of debt service on or security for the 2010A Bonds, or the 2010A Reserve Policy Costs, the Successor Agency shall notify the 2010A Reserve Insurer and, if the subject of the meet and confer could prevent timely payment of or impair the security for the 2010A Bonds or 2010A Reserve Policy Costs, the 2010A Reserve Insurer shall have the right to participate in the meet and confer process either by appearance with the Successor Agency at the meet and confer or through written submission as the 2010A Reserve Insurer determines in its discretion. In the event the Successor Agency receives a Recognized Obligation Payment Schedule denial, whether relating to the 2010A Bonds or not, and such denial could prevent timely and full payment of debt service on, or impair the security for, the 2010A Bonds or 2010A Reserve Policy Costs, the Successor Agency agrees to cooperate in good faith with the 2010A Reserve Insurer and the 2010A Reserve Insurer shall receive prompt notice of any such event and shall be permitted to attend any meetings with the Successor Agency and the State Department of Finance and to discuss such matters with the State Department of Finance directly.

(q) Any subordinate debt shall be payable on the same dates as the 2010A Bonds and any Parity Bonds and shall be in all respects, including security and payment, subordinate and junior to the 2010A Bonds and any Parity Bonds and the replenishment of the debt service reserve fund for the 2010A Bonds and any Parity Bonds, including the reimbursement of all amounts due and payable to BAM relating to the 2010A Reserve Policy.

(r) In the event the Successor Agency fails to provide the Oversight Board or the State Department of Finance with a Recognized Obligation Payment Schedule by the statutory deadlines, to the extent permitted by applicable law, the Successor Agency designates the 2010A Reserve Insurer as its attorney-in-fact with the power to make such a request relating to the 2010A Bonds; provided however, that the 2010A Reserve Insurer will provide a copy of such request to the Successor Agency at the time of such submission. With respect to Recognized Obligation Payment Schedules, if any amounts payable to the 2010A Reserve Insurer are not included on the then current Recognized Obligation Payment Schedule, the Successor Agency shall amend such Recognized Obligation Payment Schedule to include such amount to the extent permitted by law.

(s) The Successor Agency shall not approve or submit for approval to the Successor Agency's Oversight Board or the State Department of Finance the final amendment to a "last and final" Recognized Obligation Payment Schedule pursuant to Section 34191.6 of the Dissolution Act without the prior written consent of the 2010A Reserve Insurer.

(f) Section 15.11 of the 1993 Indenture is hereby amended to read in its entirety as follows:

The Successor Agency covenants that it will comply with the requirements of the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants hereunder. The Successor Agency shall take all actions required under the Dissolution Act to prepare and file Recognized Obligation Payment Schedules so as to enable the

County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund all amounts as shall be required to enable the Successor Agency to (i) pay timely principal of, and interest on, the 2010A Bonds, the 2015 Bonds and any other Parity Bonds coming due in such Bond Year and (ii) to replenish the Reserve Account and the subaccounts therein and to reimburse the 2010A Reserve Insurer in connection with the 2010A Reserve Policy, including all 201A Reserve Policy Costs, and any other insurer or credit provider with respect to any Parity Bonds required under the Indenture. These actions will include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and State Department of Finance the amounts to be held by the Successor Agency as a reserve until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to comply with this Indenture.

SECTION 3. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Seventh Supplement shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Seventh Supplement. The Agency hereby declares that it would have entered into this Seventh Supplement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the 2010A Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Seventh Supplement may be held illegal, invalid or unenforceable.

SECTION 4. Execution in Counterparts. This Seventh Supplement 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 5. Governing Law. This Seventh Supplement shall be construed and governed in accordance with the laws of the State of California.

[Signature Page Follows]

IN WITNESS WHEREOF, the SUCCESSOR AGENCY FOR THE PARAMOUNT REDEVELOPMENT AGENCY has caused this Seventh Supplement to be signed in its name by the City Manager of the City of Paramount (the "City"), as the chief administrative officer of the Successor Agency, and attested by the City Clerk of the City, as 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 officers thereunto duly authorized, all as of the day and year first above written.

**SUCCESSOR AGENCY FOR THE  
PARAMOUNT REDEVELOPMENT  
AGENCY**

By: \_\_\_\_\_  
City Manager  
City of Paramount

**ATTEST:**

By: \_\_\_\_\_  
City Clerk  
City of Paramount

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

By: \_\_\_\_\_  
Authorized Officer

**ACKNOWLEDGMENT AND CONSENT:**

Pursuant to Section 11.13(h) and Section 11.14 of the 1993 Bonds Indenture, National Public Finance Guarantee Corporation, as successor to MBIA Insurance Corporation, and as issuer of the 1998 Reserve Surety Bond, hereby consents to the amendment of the 1993 Indenture as provided in this Seventh Supplement to Indenture of Trust.

**NATIONAL PUBLIC FINANCE  
GUARANTEE CORPORATION**

By: \_\_\_\_\_  
Authorized Officer

## DEBT SERVICE RESERVE AGREEMENT

DEBT SERVICE RESERVE AGREEMENT, dated \_\_\_\_\_, 2023 (the “Agreement”), by and between the SUCCESSOR AGENCY FOR THE PARAMOUNT REDEVELOPMENT AGENCY (the “Issuer”) and BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”).

In consideration of the issuance by BAM of its Municipal Bond Debt Service Reserve Insurance Policy No. \_\_\_\_\_ (the “Reserve Policy”) with respect to the Successor Agency to the Redevelopment Agency of the Paramount Redevelopment Agency Redevelopment Project Area No. 1 2010 Tax Allocation Bonds, Series A (the “2010A Bonds”) issued under an Indenture of Trust dated as of June 1, 1993, by and between the Issuer, as successor to the former Paramount Successor Agency, and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), as supplemented and amended from time to time (as so supplemented and amended, the “Indenture”), and the payment to BAM of the insurance payment for the Reserve Policy, Issuer and BAM hereby covenant and agree as follows:

1. The Issuer shall repay BAM any draws under the Reserve Policy and pay all Administrative Expenses (as defined below) incurred by BAM. Interest shall accrue and be payable on such draws and expenses from the date of payment by BAM at the Late Payment Rate. “Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the 2010A Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate, the Prime Rate shall be the prime or base-lending rate of such national bank as BAM, in its sole discretion, shall designate.
2. Repayment of draws and payment of Administrative Expenses (as defined below) and the interest accrued thereon at the Late Payment Rate (collectively, “Policy Costs”) shall commence in the first month following each draw and each such monthly payment shall be in an amount at least equal to 1/12th of the aggregate of Policy Costs related to such draw. Amounts in respect of Policy Costs paid to BAM shall be credited first to interest due, then to the expenses due and then to principal due. The Issuer shall include the repayment of Policy Costs in its Recognized Obligation Payment Schedule.
3. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Reserve Policy will be reinstated by a like amount, subject to the terms of the Reserve Policy.
4. All cash and investments in the 2010A Reserve Subaccount of the Reserve Account, if any, shall be transferred to the Interest Account and/or Principal Account for payment of debt service on the 2010A Bonds before any drawing may be made on the Reserve Policy or



any other credit facility that is credited to the 2010A Reserve Subaccount of the Reserve Account in lieu of cash in accordance with the terms of the Indenture to satisfy the portion of the Reserve Requirement for the 2010A Bonds (each a “2010A Bonds Credit Facility”). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all 2010A Bonds Credit Facilities (including the Reserve Policy) on which there is available coverage shall be made on a pro rata basis (calculated by reference to available coverage under each such 2010A Bonds Credit Facility) after applying all available cash and investments in the 2010A Reserve Subaccount of the Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to all 2010A Bonds Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the 2010A Reserve Subaccount of the Reserve Account. For the avoidance of doubt, “available coverage” means the coverage then available for disbursement pursuant to the terms of the applicable 2010A Bonds Credit Facility without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

5. The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Requirement allocable to the 2010A Bonds.
6. Draws under the Reserve Policy may only be used to make payments of principal of and interest on the 2010A Bonds.
7. The Reserve Policy shall terminate on the earlier to occur of August 1, 2027 and the date the 2010A Bonds are no longer outstanding under the Indenture.
8. If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of the Indenture and this Agreement, BAM shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Indenture other than remedies which would adversely affect owners of the 2010A Bonds.
9. Any amendment, supplement, modification to, or waiver of, the Indenture that requires the consent of the Owners of the 2010A Bonds or adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.
10. The Indenture shall not be discharged until all Policy Costs owing to BAM shall have been paid in full. The Issuer’s obligation to pay such amounts shall expressly survive payment in full of the 2010A Bonds.
11. In order to secure the Issuer’s payment obligations with respect to the Policy Costs, there is hereby granted and perfected in favor of BAM a security interest (subordinate only to that of the owners of the 2010A Bonds and any Parity Bonds, and on a parity basis with the Successor Agency’s obligation to reimburse any other credit facility for the 2010A Bonds or Parity Bonds and to replenish the debt service reserve funds, accounts and subaccounts for other Parity Bonds) in all revenues pledged as security for the 2010A Bonds (“Pledged Collateral”). Policy Costs shall be paid to BAM immediately following the payment of principal of and interest on the 2010A Bonds and any Parity Bonds,

including following the occurrence of a default or event of default. The Issuer shall not make payments from or pledge, assign or grant a security interest in the Pledged Collateral to any provider of a 2010A Bonds Credit Facility or a credit facility for Parity Bonds that is senior or prior to the payments or security interest granted to BAM by this Paragraph 11.

12. The Issuer shall fully observe, perform and fulfill each of the provisions, covenants and agreements (as each of those provisions, covenants and agreements may be amended, supplemented, modified or waived with, if required by Paragraph 7 above, the prior written consent of BAM) of the Indenture applicable to it, with each of such provisions, covenants and agreements being expressly incorporated into this Agreement by reference solely for the benefit of BAM as if set forth directly herein.
13. The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph 4 hereof and shall provide notice to BAM in accordance with the terms of the Reserve Policy at least five (5) Business Days prior to each date upon which interest or principal is due on the 2010A Bonds.
14. Payments made by BAM under the Reserve Policy with respect to claims for interest on or principal of the 2010A Bonds shall not discharge the obligation of the Issuer with respect to such 2010A Bonds, and BAM shall become the owner of such unpaid 2010A Bonds and claims for the interest thereon. The Issuer and the Trustee recognize and agree that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the 2010A Bonds, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon. The Issuer will not owe any amounts under this paragraph to the extent it has fully paid the Policy Costs related to any payments made by BAM and any amounts owed under this paragraph will be subordinate to debt service on the 2010A Bonds and Parity Bonds.
15. The Issuer agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Agreement or the Indenture ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.
16. Issuer's payment obligations under this Agreement are limited to Pledged Collateral. Issuer agrees that the obligation to pay all amounts due under this Agreement from the Pledged

Collateral shall be an absolute and unconditional obligation of the Issuer and will be paid or performed strictly in accordance with this Agreement.

17. So long as a default or event of default has occurred and is continuing under this Agreement or the Indenture, the Issuer shall not be eligible for a dividend or any other economic benefit under BAM's organizational documents.
18. Notice and Other Information to be given to BAM.
  - a. The Issuer will provide BAM with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Certificate related to the 2010A Bonds and (ii) to the holders of the 2010A Bonds or the Trustee under the Indenture.
  - b. In addition, the Issuer shall provide BAM with the following notices and other information: (i) notice of any draw upon the 2010A Reserve Subaccount of the Reserve Account within two (2) Business Days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Reserve Requirement allocable for the 2010A Bonds; and (ii) prior written notice of the advance refunding or redemption of any of the 2010A Bonds, including the principal amount, maturities and CUSIP numbers thereof.
  - c. BAM shall be entitled to receive such additional information as it may reasonably request. The notices and other information to be provided by the Issuer to BAM pursuant to this Agreement may be provided by the Issuer by sending an electronic link to such notices and other information provided to the holders of 2010A Bonds on EMMA or such other Information Services then in effect to [notices@buildamerica.com](mailto:notices@buildamerica.com).
19. Notices to BAM shall be sent to the following address (or such other address as BAM may designate in writing): Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. \_\_\_\_\_, Telephone: (212) 235-2500, Telecopier: (212) 962-1710, Email: [notices@buildamerica.com](mailto:notices@buildamerica.com); with a copy of such notice or other communication sent to the attention of the General Counsel at the same address and at [claims@buildamerica.com](mailto:claims@buildamerica.com) or at Telecopier: (212) 962-1524.
20. The Issuer agrees that any disclosure document or other document relating to the issuance or sale of the 2010A Bonds shall not contain any reference to BAM or the Reserve Policy, except as may be approved by BAM.
21. If any one or more of the agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement. In the event of any conflict in the terms of this Agreement and the Indenture, the terms of this Agreement shall control.

22. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture.
23. This Agreement may be executed in counterparts, each of which alone and all of which together shall be deemed one original Agreement.
24. This Agreement and the rights and obligations of the parties to the Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York.

[Signatures Follow on Next Page]

IN WITNESS WHEREOF, each of the parties hereto has duly executed and delivered this Agreement as of the date first above written.

**SUCCESSOR AGENCY FOR THE  
PARAMOUNT REDEVELOPMENT  
AGENCY**

By: \_\_\_\_\_  
Title:

**BUILD AMERICA MUTUAL ASSURANCE  
COMPANY**

By: \_\_\_\_\_  
Title:

**ACKNOWLEDGED AND AGREED:**

The Bank of New York Mellon Trust  
Company, N.A., as Trustee

By: \_\_\_\_\_  
Authorized Officer