

Meeting Date: 6/9/2015

Report Type: Staff/Discussion

Report ID: 2015-00440

Title: (Redevelopment Agency Successor Agency) Authorize Issuance of 2015 Refunding Bonds and Related Agreements

Location: Citywide

Recommendation: Pass a Redevelopment Agency Successor Agency Resolution authorizing the issuance of the Successor Agency to the Redevelopment Agency of the City of Sacramento 2015 Refunding Bonds in one or more series and authorizing the execution and delivery of an indenture, one or more escrow agreements, a bond-purchase agreement, and related matters.

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Presenter: Damien Charléty, Debt Analyst, (916) 808-5517, Office of the City Treasurer

Department: City Treasurer

Division: City Treasurer

Dept ID: 05001011

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Successor Agency Resolution
- 4-Exhibit A - List of Tax-Increment Obligations to be Refunded
- 5-Exhibit B - Bond Refunding Financing Plan
- 6-Exhibit C - 2015 Indenture
- 7-Exhibit D - Bond-Purchase Agreement

City Attorney Review

Approved as to Form
Joseph Cerullo
6/3/2015 4:33:47 PM

Approvals/Acknowledgements

Department Director or Designee: Russ Fehr - 5/1/2015 3:09:40 PM

Description/Analysis

Issue Detail: In accordance with the City’s Debt Management Policy, the City Treasurer’s Office monitors outstanding debt to determine whether refunding bonds might yield potential economic savings. Given the current interest-rate environment, certain bonds of the Redevelopment Agency Successor Agency (“**RASA**”) have been identified as possible candidates whose repayment through the issuance of refunding bonds could yield economic savings. Exhibit A of this report lists the candidates.

Allowing the refunding of those bonds—which are identified in the legislation that dissolved the redevelopment agency as “enforceable obligations”—would, in aggregate, lower the amount of tax increment RASA needs for its debt-service payments. As a result, taxing entities, including the City, would receive additional amounts from the Redevelopment Property Tax Trust Fund (the “**RPTTF**”). Those additional funds will be deposited in the Innovation and Growth Fund (Fund 2031) pursuant to City Council Resolution No. 2013-0198.

Additionally, several obligations of RASA under consideration for repayment through the refunding are currently part of various City lease-revenue bond issues. Although paid from tax-increment revenue under repayment agreements between the City and RASA, these obligations are ultimately backed by the City’s General Fund if available tax-increment revenues fall short. The refunding would remove the City’s obligation to backstop those obligations and secure the new refunding debt solely with revenues from the RPTTF.

Policy Considerations: RASA must approve the proposed refunding before the Oversight Board considers the proposal for approval and forwards it to the Department of Finance (“**DOF**”), which has 60 days to review and approve the proposal. Because the timing of DOF’s approval is uncertain, staff must return to RASA later to present the initial disclosure document for the refunding bonds, i.e., the Official Statement.

Economic Impacts: By refunding existing debt, RASA will lower its share of the RPTTF, thereby generating additional unobligated tax-increment revenue for taxing entities, including the City. Those additional funds will be deposited in the Innovation and Growth Fund (Fund 2031) pursuant to City Council Resolution No. 2013-0198.

Environmental Considerations: Not applicable. Approval of the recommendation is not a “project” subject to CEQA because it (a) has no potential to cause a significant effect on the environment and (b) concerns government fiscal activities that do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. (14 Cal. Code Regs. §§ 15061(b)(3) and 15378(b)(4).)

Sustainability: Not applicable, administrative action.

Commission/Committee Action: The Oversight Board will consider this proposal for approval at its June 15th meeting and, assuming approval, forward the proposal to DOF, whose approval is required for the refunding to proceed.

Rationale for Recommendation: The refunding will generate savings for RASA and additional monies for the taxing entities, including the City. It also will reduce the complexities associated with the current administration of the numerous enforceable obligations by combining them into one enforceable obligation, the refunding bonds.

Financial Considerations: The legislation that dissolved the redevelopment agency requires that the refunding generate at least a nominal amount of savings, a criterion that must be met for the refunding to proceed. Preliminary projections indicate that the refunding will generate annual savings over the life of the refunding bonds. Details on the savings realized through the refunding will only be known after pricing of the bonds in late summer.

The City's General Fund has no obligation to pay or ensure the full and timely payment of debt service for the refunding bonds. Debt service for the refunding bonds will be paid solely from the RPTTF.

Local Business Enterprise (LBE): Not applicable.

Background

Between 1993 and 2006, the dissolved Redevelopment Agency of the City of Sacramento (the “**RDA**”) received project funding from several sources, including the City of Sacramento, the Sacramento City Financing Authority (“**SCFA**”), the California Infrastructure and Economic Development Bank (a.k.a. I-Bank), and the Sacramento County Public Financing Authority. This funding was done through loan agreements and advance-funding agreements. The City’s and SCFA’s transactions with the RDA are generally representative. For example:

Loan Agreements

SCFA issued bonds on several occasions and, using a number of loan agreements, directly loaned the bond proceeds to the RDA, which then used the loan proceeds to fund redevelopment activities under the administration of SHRA. The agreements obligates the RDA to repay the loans using tax-increment revenues received from the “project areas” associated with the redeveloped properties, and those revenues are also pledged for repayment. SCFA in turn uses the payments from the RDA to pay debt service on the bonds.

Advance-Funding Agreements

Where projected tax-increment revenues from a project area were insufficient to secure direct financing by SCFA, advance-funding agreements were used. With these agreements, the City advanced funds to the RDA for redevelopment activities, using funds obtained through the City’s Master Lease-Financing Program. Under that program, SCFA issues bonds using a lease-leaseback structure: first, the City leases certain City-owned properties to SCFA in return for a one-time lump-sum rental payment, from which the City “advances” funds to the RDA; then SCFA subleases the properties back to the City in return for the City’s promise to pay semi-annual rent, and SCFA uses that rent to pay debt service on the bonds.

The advance-funding agreements obligate the RDA to repay the advances to the City out of tax-increment revenues. These repayments are in installments equal to the City’s rental obligations to SCFA, and SCFA uses the City’s rental payments to pay debt service. Although the RDA’s tax-increment revenues are pledged to repayment of the installments, that pledge is subordinate to the pledge of tax-increment revenues for repayment of the loan agreements. Thus, the tax-increment revenues must be used first to repay the loan agreements and then to repay the advanced funds. If the remaining tax-increment revenues are insufficient to repay the advanced funds, then the City must cover the shortfall so that SCFA can meet its debt-service obligations. To date, the City has not had to cover any shortfalls, but the subordinate pledge and subsequent risk to the City still remain.

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The Redevelopment Agency Successor Agency (“**RASA**”) is now responsible for the RDA’s obligations under the loan agreements and advance-funding agreements, which are listed on RASA’s Recognized Obligation Payment Schedule, or ROPs. The proposed refunding takes advantage of RASA’s authority, under the legislation that dissolved the RDA, to issue refunding bonds if doing so will generate savings. Based on market conditions in early May, the proposed refunding will do just that by yielding lower-cost money to pay off the loan agreements and the advance-funding agreements. The refunding will also replace the pledges that secure the agreements with a single pledge of the Redevelopment Property Tax Trust Fund. This not only provides greater security to the bondholders but also eliminates the risk that the City may have to cover shortfalls.

Approximately \$36.5 million in loan agreements and advance-repayment agreements are eligible for the refunding. The actual amount of the refunding will depend on market conditions at the time of sale. Approximately \$15.6 million in loan agreements and advance-repayment agreements cannot be refunded. For example, some of SCFA's bonds are "non-callable" and thus not eligible for refinancing.

Exhibit A to each resolution lists the bonds eligible to be refunded and their related agreements.

RESOLUTION NO. 2015-_____

Adopted by the Redevelopment Agency Successor Agency of the dissolved
Redevelopment Agency of the City of Sacramento

June 9, 2015

**AUTHORIZING THE ISSUANCE OF TAX-ALLOCATION REFUNDING BONDS IN
ONE OR MORE SERIES, IN A COMBINED PRINCIPAL AMOUNT NOT TO EXCEED
\$160,000,000; AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN
INDENTURE AND A BOND-PURCHASE AGREEMENT AND OTHER MATTERS
RELATED THERETO**

BACKGROUND

- A. The Redevelopment Agency of the City of Sacramento (the “**Former RDA**”) was a public body, corporate and politic formed, organized, existing, and exercising its powers under Health and Safety Code section 34100 and following. It exercised the powers, authority, functions, and jurisdiction of a community redevelopment agency formed, organized, existing, and exercising its powers under the California Community Redevelopment Law, Health and Safety Code section 33000 and following, and it was formed by the City Council (the “**City Council**”) of the City of Sacramento (the “**City**”).
- B. Assembly Bill No. x1 26, chaptered and effective on June 28, 2011, added parts 1.8 and 1.85 to division 24 of the Health and Safety Code, which caused the dissolution of all redevelopment agencies and the winding down of the affairs of dissolved agencies; parts 1.8 and 1.85 were amended by Assembly Bill No. 1484, chaptered and effective on June 27, 2012, and subsequent legislation (together, the “**Dissolution Law**”).
- C. On January 31, 2012, the Former RDA adopted Resolution No. 2011-001 to adopt an amended Enforceable Obligation Payment Schedule and to transfer to the City, as successor agency, all of its non-housing assets and agreements. Also on January 31, 2012, by Resolution No. 2012-018, the City Council elected to serve as the successor agency to the Former RDA (the “**Successor Agency**”) to administer the non-housing enforceable obligations of the Former RDA and otherwise unwind the Former RDA’s affairs. The Successor Agency is responsible for payment of all indebtedness obligations as defined in section 34171 of the Dissolution Law. As of February 1, 2012, the Former RDA was dissolved as required by the Dissolution Law.
- D. The Successor Agency’s affairs are subject to review and approval by a seven-member oversight board, which was established under section 34179 of the Dissolution Law and had its initial meeting on April 16, 2012 (the “**Oversight Board**”).

- E. Section 34173(g) of the Dissolution Law provides that a successor agency is a separate public entity from the public agency that provides for its governance. The official name of the Successor Agency is the Redevelopment Agency Successor Agency, as set forth in the Oversight Board's Rules of Procedures adopted on April 30, 2012; the same Rules of Procedure designated the Sacramento City Clerk as the Clerk of the Oversight Board.
- F. Section 34179 of the Dissolution Law provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues in accordance with section 34188 of the Dissolution Law.
- G. Among other provisions of the Dissolution Law, section 34177.5 provides a mechanism to refund outstanding bonds and other indebtedness under certain circumstances.
- H. Section 34177.5(b) of the Dissolution Law authorizes a successor agency to issue refunding bonds under article 11 (commencing with section 53580) of chapter 3 of part 1 of division 2 of title 5 of the California Government Code (the "**Refunding Law**"). The refunding bonds may be sold at public or private sale.
- I. Before its dissolution, the Former RDA entered into the agreements described below, as summarized in Exhibit A to this resolution, and caused or otherwise participated in the issuance of the bonds listed in Exhibit A to finance and refinance redevelopment activities.
- J. In 1993, the Former RDA executed and delivered the Merged Downtown Sacramento Loan Agreement (the "**1993 Merged Downtown Loan Agreement**") dated as of May 1, 1993, between the Former RDA, the Sacramento City Financing Authority ("**SCFA**"), and Bank of America National Trust and Savings Association (predecessor trustee to U.S. Bank National Association), evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$34,185,000 accreted value will be due at final maturity, as listed in Exhibit A. This loan is subject to discharge upon deposit of an amount sufficient to make aggregate scheduled loan payments due through November 1, 2017, without premium.
- K. In 1999, the Former RDA executed and delivered the Oak Park Loan Agreement (the "**1999 Oak Park Loan Agreement**") dated as of December 1, 1999, between the Former RDA and the City, evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$1,675,000 is currently outstanding, as listed in Exhibit A. This loan is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium.

- L. In 2002, the Former RDA executed and delivered the Merged Downtown Loan Agreement (the “**2002 Merged Downtown Loan Agreement**”) dated as of July 1, 2002, between the Former RDA and the City, evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$5,435,000 is currently outstanding, as listed in Exhibit A. This loan is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium.
- M. In 2002, the Former RDA executed and delivered the Stockton Boulevard Advance Repayment Agreement (the “**2002 Stockton Advance Agreement**”) dated as of July 1, 2002, between the Former RDA and the City, evidencing the advance of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$270,000 is currently outstanding, as listed in Exhibit A. This advance is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium.
- N. The 2002 Merged Downtown Loan Agreement and the 2002 Stockton Advance Agreement were each executed and delivered for the purpose of securing a portion of debt-service payments on, and in connection with the issuance by SCFA of, \$160,475,000 aggregate principal amount of 2002 Revenue Bonds, Series A (City Hall and Redevelopment Projects), of which approximately \$6,710,000 is currently outstanding (the “**2002 CIRBs**”), issued under an Indenture dated as of July 1, 2002, between SCFA and The Bank of New York Mellon Trust Company, N.A. (formerly known as BNY Western Trust Company). The 2002 CIRBs are subject to optional redemption on any date at a price equal to the outstanding principal amount called for redemption, plus interest due thereon to the date fixed for redemption, without premium.
- O. In 2003, the Former RDA executed and delivered the Del Paso Heights Loan Agreement (the “**2003 Del Paso Loan Agreement**”) dated as of December 1, 2003, between the Former RDA, U.S. Bank National Association, as trustee, and the Sacramento County Public Financing Authority (the “**County PFA**”), evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which, as listed in Exhibit A, approximately \$11,775,000 is outstanding (approximately \$8,235,000 of which is allocable to the Successor Agency’s share of accreted value at maturity of the non-callable 2003A TABs (as defined below), and \$3,540,000 of which is allocable to the Successor Agency’s share of the 2003A TABs subject to redemption), with the portion of the loan that is allocable to the 2003A TABs being subject to prepayment on any date at a price equal to the related principal amount of 2003A TABs to be redeemed in accordance with the 2003A TABs Indenture (as defined below), plus interest due thereon to the date fixed for prepayment, without premium (the 2003 Del Paso Loan Agreement was listed on the enforceable obligation payment schedule that the Former RDA transferred to the Successor Agency even though the County PFA is a party).

- P.** The 2003 Del Paso Loan Agreement was executed and delivered for the purpose of securing a portion of debt-service payments on, and in connection with the issuance by, the County PFA of approximately \$33,695,588 initial aggregate principal amount of its 2003 Tax Allocation Revenue Bonds, Series A (Sacramento County and City Redevelopment Projects), of which \$11,775,000 is outstanding and allocable to the Successor Agency (the “**2003A TABs**”), issued under an Indenture of Trust dated as of December 1, 2003 (the “**2003A TABs Indenture**”), between the County PFA and U.S. Bank National Association, as trustee, approximately \$8,235,000 of which is allocable to the Successor Agency’s share of accreted value at maturity of the non-callable 2003A TABs and \$3,540,000 of which is allocable to the Successor Agency’s share of the 2003A TABs subject to redemption on any date at a price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, without premium (the non-callable capital appreciation 2003A TABs relating to the 2003 Del Paso Loan Agreement are not subject to redemption).
- Q.** In 2003, the Former RDA executed and delivered the Alkali Flat Loan Agreement (the “**2003 Alkali Flat Loan Agreement**”) dated as of December 1, 2003, between the Former RDA, U.S. Bank National Association, as trustee, and the County PFA, evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$4,000,000 is currently outstanding, as listed in Exhibit A. This loan is subject to prepayment on any date at a price equal to the related principal amount of the 2003C TABs (as defined in paragraph S below) to be redeemed in accordance with the 2003C TABs Indenture (as defined in paragraph S below), plus interest due thereon to the date fixed for prepayment, without premium.
- R.** In 2003, the Former RDA executed and delivered the North Sacramento Loan Agreement (the “**2003 North Sacramento Loan Agreement**”) dated as of December 1, 2003, between the Former RDA, U.S. Bank National Association, as trustee, and the County PFA, evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$4,365,000 is currently outstanding, as listed in Exhibit A. This loan is subject to prepayment on any date at a price equal to the related principal amount of the 2003C TABs (as defined in paragraph S below) to be redeemed in accordance with the 2003C TABs Indenture (as defined in paragraph S below), plus interest due thereon to the date fixed for prepayment, without premium.
- S.** The 2003 Alkali Flat Loan Agreement and the 2003 North Sacramento Loan Agreement were each executed and delivered for the purpose of securing debt-service payments on, and in connection with the issuance by the County PFA of, \$12,880,000 aggregate principal amount of County PFA 2003 Tax Allocation Revenue Bonds, Series C (Sacramento City Redevelopment Projects), of which approximately \$8,365,000 is currently outstanding (the “**2003C TABs**”), issued under an Indenture of Trust dated as of December 1, 2003 (the “**2003C TABs Indenture**”), between the County PFA and U.S. Bank National Association, as trustee. The 2003C TABs are subject to optional redemption on any date at a

price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, without premium.

- T. In 2005, the Former RDA executed and delivered the First Amendment to Del Paso Heights Loan Agreement dated as of June 1, 2005, amending that Del Paso Heights Loan Agreement dated as of December 1, 1999 (as amended, the “**2005 Del Paso Loan Agreement**”), each between the Former RDA and the City, evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$3,980,000 is currently outstanding, as listed in Exhibit A. This loan is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium.
- U. In 2005, the Former RDA executed and delivered the First Amendment to Del Paso Heights Advance Repayment Agreement dated as of June 1, 2005, amending that Del Paso Heights Advance Repayment Agreement dated as of December 1, 1999 (as amended, the “**2005 Del Paso Advance Agreement**”), each between the Former RDA and the City, evidencing the advance of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$975,000 is currently outstanding, as listed in Exhibit A. This advance is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium.
- V. In 2005, the Former RDA executed and delivered the First Amendment to Merged Downtown Advance Repayment Agreement dated as of June 1, 2005, amending that Merged Downtown Advance Repayment Agreement dated as of July 1, 2002 (as amended, the “**2005 Merged Downtown Advance Agreement**”), each between the Former RDA and the City, evidencing the advance of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$6,790,000 is currently outstanding, as listed in Exhibit A. This advance is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium.
- W. In 2005, the Former RDA executed and delivered the First Amendment to North Sacramento Advance Repayment Agreement dated as of June 1, 2005, amending that North Sacramento Advance Repayment Agreement dated as of December 1, 1999 (as amended, the “**2005 North Sacramento Advance Agreement**”), each between the Former RDA and the City, evidencing the advance of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$3,850,000 is currently outstanding, as listed in Exhibit A. This advance is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium.

- X. In 2005, the Former RDA executed and delivered the First Amendment to Oak Park Advance Repayment Agreement dated as of June 1, 2005, amending that Oak Park Advance Repayment Agreement dated as of December 1, 1999 (as amended, the “**2005 Oak Park Advance Agreement**”), each between the Former RDA and the City, evidencing the advance of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$945,000 is currently outstanding, as listed in Exhibit A. This advance is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium.
- Y. In 2005, the Former RDA executed and delivered the First Amendment to Richards Boulevard Advance Repayment Agreement dated as of June 1, 2005, amending that Richards Boulevard Advance Repayment Agreement dated as of December 1, 1999 (as amended, the “**2005 Richards Boulevard Advance Agreement**”), each between the Former RDA and the City, evidencing the advance of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$4,430,000 is currently outstanding, as listed in Exhibit A. This advance is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium.
- Z. Each of the 2005 Del Paso Loan Agreement, the 2005 Del Paso Advance Agreement, the 2005 Merged Downtown Advance Agreement, 2005 North Sacramento Advance Agreement, the 2005 Oak Park Advance Agreement, and the 2005 Richards Boulevard Advance Agreement was executed and delivered for the purpose of securing a portion of debt-service payments on, and in connection with the issuance by SCFA of, \$173,925,000 aggregate principal amount of SCFA 2005 Refunding Revenue Bonds (Solid Waste, Redevelopment and Master Lease Program Facilities), of which approximately \$139,180,000 is currently outstanding (the “**2005 Refunding Revenue Bonds**”). The 2005 Refunding Revenue Bonds are subject to optional redemption on any date on and after December 1, 2015, at a price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, without premium.
- AA. In 2005, the Former RDA executed and delivered the Merged Downtown Loan Agreement (the “**2005 Merged Downtown Loan Agreement**”) dated as of November 1, 2005, between the Former RDA, SCFA, and U.S. Bank National Association, as trustee, evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which, as listed in Exhibit A, approximately \$214,871,893 maturity value is currently outstanding (\$201,351,893 of which is allocable to non-callable capital appreciation 2005A TABs (as defined in paragraph CC below), \$13,520,000 of which is allocable to the callable current interest 2005A TABs (as defined in paragraph CC below), and \$31,405,000 of which is allocable to 2005B TABs (as defined in paragraph CC below) subject to redemption), with the portion of the loan that is allocable to

the 2005 TABs subject to redemption, being subject to prepayment on any date on or after December 1, 2015, at a price equal to the principal installments called for prepayment, plus interest due thereon to the date fixed for prepayment, without premium.

- BB.** In 2005, the Former RDA executed and delivered the Oak Park Loan Agreement (the “**2005 Oak Park Loan Agreement**”) dated as of November 1, 2005, between the Former RDA, SCFA, and U.S. Bank National Association, as trustee, evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which, as listed in Exhibit A, approximately \$11,590,000 is outstanding (approximately \$4,610,000 of which is allocable to the accreted value at maturity of the non-callable capital-appreciation 2005A TABs (as defined in paragraph CC below), \$6,980,000 of which is allocable to the callable current interest 2005A TABs (as defined in paragraph CC below), and \$5,385,000 of which is allocable to the 2005B TABs (as defined in paragraph CC below) subject to redemption), with the portion of the loan that is allocable to the 2005 TABs subject to redemption, being subject to prepayment on any date on or after December 1, 2015, at a price equal to the principal installments called for prepayment, plus interest due thereon to the date fixed for prepayment, without premium.
- CC.** The 2005 Merged Downtown Loan Agreement and the 2005 Oak Park Loan Agreement were each executed and delivered for the purpose of securing debt-service payments on, and in connection with the issuance by SCFA of, \$92,372,235.75 aggregate initial principal amount of SCFA 2005 Tax Allocation Revenue Bonds, Series A (Merged Downtown and Oak Park Projects), of which approximately \$226,461,893 maturity value is outstanding (the “**2005A TABs**”), and \$46,750,000 aggregate principal amount of its 2005 Taxable Tax Allocation Revenue Bonds, Series B (Merged Downtown and Oak Park Projects), of which approximately \$36,790,000 is currently outstanding (the “**2005B TABs**” and together with the 2005A TABs, the “**2005 TABs**”). The 2005 TABs that are current-interest bonds are subject to optional redemption on any date on and after December 1, 2015, at a price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, without premium (the 2005A TABs that are capital-appreciation bonds also relating to the 2005 Merged Downtown Loan Agreement and the 2005 Oak Park Loan Agreement are not subject to redemption).
- DD.** In 2005, the Former RDA executed and delivered the Tax Allocation Loan Agreement relating to the North Sacramento Project Area (the “**2005 North Sacramento I-Bank Loan Agreement**”) dated as of December 14, 2005, as amended, between the Former RDA and the California Infrastructure and Economic Development Bank (“**I-Bank**”), evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$3,391,933.78 is currently outstanding, as listed in Exhibit A. This loan is subject to prepayment on any date on or after December 14, 2015, at a

redemption price equal to 102% of the principal installments called for prepayment, plus interest due thereon to the date fixed for prepayment.

- EE.** In 2006, the Former RDA executed and delivered the Del Paso Heights Loan Agreement (the “**2006 Del Paso Loan Agreement**”) dated as of March 1, 2006, between the Former RDA, SCFA, and U.S. Bank National Association, as trustee, evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which, as listed in Exhibit A, approximately \$7,130,000 is currently outstanding (\$5,080,000 of which is attributable to the 2006A TABs (as defined in paragraph GG below), and \$2,050,000 of which is attributable to the 2006B TABs (as defined in paragraph GG below)). This loan is subject to prepayment on any date on or after December 1, 2015, at a price equal to the principal installments called for prepayment, plus interest due thereon to the date fixed for prepayment, without premium.
- FF.** In 2006, the Former RDA executed and delivered the Oak Park Loan Agreement (the “**2006 Oak Park Loan Agreement**”) dated as of March 1, 2006, between the Former RDA, SCFA, and U.S. Bank National Association, as trustee, evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$6,495,000 is currently outstanding, as listed in Exhibit A. This loan is subject to prepayment on any date on or after December 1, 2015, at a price equal to the principal installments called for prepayment, plus interest due thereon to the date fixed for prepayment, without premium.
- GG.** The 2006 Del Paso Loan Agreement and the 2006 Oak Park Loan Agreement were each executed and delivered for the purpose of securing debt-service payments on, and in connection with the issuance by SCFA of, \$17,475,000 aggregate principal amount of SCFA 2006 Tax Allocation Revenue Bonds, Series A (Del Paso Heights and Oak Park Projects), of which approximately \$11,575,000 is currently outstanding (the “**2006A TABs**”), and \$3,735,000 aggregate principal amount of its 2006 Taxable Tax Allocation Revenue Bonds, Series B (Del Paso Heights Project), of which approximately \$2,050,000 is currently outstanding (the “**2006B TABs**” and together with the 2006A TABs, the “**2006 TABs**”). The 2006 TABs are subject to optional redemption on any date on or after December 1, 2015, at a price equal to the outstanding principal amount called for redemption, plus interest due thereon to the date fixed for redemption, without premium.
- HH.** In 2006, the Former RDA executed and delivered the Tax Allocation Loan Agreement relating to the Stockton Boulevard Project Area (the “**2006 Stockton Boulevard I-Bank Loan Agreement**”) dated as of June 1, 2006, as amended, between the Former RDA and I-Bank, evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$2,835,604.59 is currently outstanding, as listed in Exhibit A. This loan is subject to prepayment on any date on or after June 1, 2016, at a

redemption price equal to the 102% of principal installments called for prepayment, plus interest due thereon to the date fixed for prepayment.

- II. In 2006, the Former RDA executed and delivered the 65th Street Advance Repayment Agreement (the “**2006 65th Street Advance Agreement**”) dated as of June 1, 2006, between the Former RDA and the City, evidencing the advance of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$5,155,000 is currently outstanding, as listed in Exhibit A. A portion of this advance is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium.
- JJ. In 2006, the Former RDA executed and delivered the Army Depot Advance Repayment Agreement (the “**2006 Army Depot Advance Agreement**”) dated as of June 1, 2006, between the Former RDA and the City, evidencing the advance of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$9,187,031 is currently outstanding, as listed in Exhibit A. A portion of this advance is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium.
- KK. In 2006, the Former RDA executed and delivered the Second Amendment to North Sacramento Advance Repayment Agreement dated as of June 1, 2006, amending that North Sacramento Advance Repayment Agreement dated as of December 1, 1999, as amended (as amended, the “**2006 North Sacramento Advance Agreement**”), each between the Former RDA and the City, evidencing the advance of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$4,730,000 is currently outstanding, as listed in Exhibit A. A portion of this advance is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium.
- LL. In 2006, the Former RDA executed and delivered the Second Amendment to Richards Boulevard Advance Repayment Agreement dated as of June 1, 2006, amending that Richards Boulevard Advance Repayment Agreement dated as of December 1, 1999, as amended (as amended, the “**2006 Richards Boulevard Advance Agreement**”), each between the Former RDA and the City, evidencing the advance of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$2,757,969 is currently outstanding, as listed in Exhibit A. This agreement is not being considered for refunding at this time.
- MM. The 2006 65th Street Advance Agreement, the 2006 Army Depot Advance Agreement, the 2006 North Sacramento Advance Agreement, and the 2006 Richards Boulevard Advance Agreement were each executed and delivered for the purpose of securing a portion of debt-service payments on, and in connection

with the issuance by SCFA of, \$95,900,000 aggregate principal amount of SCFA 2006 Capital Improvement Revenue Bonds, Series A (Community Reinvestment Capital Improvement Program), of which approximately \$73,315,000 is currently outstanding (the “**2006A CIRBs**”), and \$55,235,000 aggregate principal amount of SCFA 2006 Taxable Capital Improvement Revenue Bonds, Series B (Community Reinvestment Capital Improvement Program), of which approximately \$48,170,000 is currently outstanding (the “**2006B CIRBs**” and, together with the 2006A CIRBs, the “**2006 CIRBs**”), issued under an Indenture dated as of June 1, 2006, between SCFA and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.). The 2006A CIRBs are subject to optional redemption on any date on or after December 1, 2016, at a price equal to the outstanding principal amount called for redemption, plus interest due thereon to the date fixed for redemption, without premium (the 2006B CIRBs also relating to the 2006 65th Street Advance Agreement, the 2006 Army Depot Advance Agreement, the 2006 North Sacramento Advance Agreement, and the 2006 Richards Boulevard Advance Agreement are not subject to redemption that would result in material savings).

- NN.** In 2006, the Former RDA executed and delivered the Second Amendment to the Stockton Boulevard Advance Repayment Agreement dated as of December 1, 2006, amending that Stockton Boulevard Advance Repayment Agreement dated as of July 1, 2002, as amended (as amended, the “**2006 Stockton Boulevard Advance Agreement**”), each between the Former RDA and the City, evidencing the advance of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$1,989,820 is currently outstanding, as listed in Exhibit A. This agreement is not being considered for refunding at this time.
- OO.** The 2006 Stockton Boulevard Advance Agreement was executed and delivered for the purpose of securing a portion of debt-service payments on, and in connection with the issuance by SCFA of, \$186,950,000 aggregate principal amount of 2006 Refunding Revenue Bonds, Series E (Master Lease Program Facilities) (the “**2006E CIRBs**”), issued under an Indenture dated as of December 1, 2006, between SCFA and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.). The 2006E CIRBs are not subject to optional redemption.
- PP.** Together, the 1993 Merged Downtown Loan Agreement, the 1999 Oak Park Loan Agreement, the 2002 Merged Downtown Loan Agreement, the 2002 Stockton Advance Agreement, the callable portion of the 2003 Del Paso Loan Agreement, the 2003 Alkali Flat Loan Agreement, the 2003 North Sacramento Loan Agreement, the 2005 Del Paso Loan Agreement, the 2005 Del Paso Advance Agreement, the 2005 Merged Downtown Advance Agreement, the 2005 North Sacramento Advance Agreement, the 2005 Oak Park Advance Agreement, the 2005 Richards Boulevard Advance Agreement, the callable portion of the 2005 Merged Downtown Loan Agreement, the callable portion of the 2005 Oak Park Loan Agreement, the 2005 North Sacramento I-Bank Loan Agreement, the

2006 Del Paso Loan Agreement, the 2006 Oak Park Loan Agreement, the 2006 Stockton Boulevard I-Bank Loan Agreement, and the callable portions of the 2006 65th Street Advance Agreement, the 2006 Army Depot Advance Agreement, and the 2006 North Sacramento Advance Agreement are referred to in this resolution as the “**Prior Obligations.**”

- QQ.** Section 34177.5(a)(1) of the Dissolution Law authorizes successor agencies to refund outstanding bonds and other indebtedness to be refunded provided that (1) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness does not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded; and (2) the principal amount of the refunding bonds or other indebtedness does not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt-service reserves, and to pay related costs of issuance.
- RR.** The Successor Agency is now requesting that the Oversight Board authorize the Successor Agency to undertake the refunding proceedings in accordance with section 34177.5 of the Dissolution Law and approve the issuance of the 2015 Refunding Bonds (as defined below) in accordance with this resolution and the 2015 Indenture (as defined below) .
- SS.** The Successor Agency is further requesting that the Oversight Board make certain determinations described in section 5 below on which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the 2015 Refunding Bonds.
- TT.** The Successor Agency has solicited from an independent financial advisor a report titled “Bond Refunding Financing Plan” (a copy of which is attached as Exhibit B to this resolution) and has employed the advisor in developing financing proposals for refunding outstanding bonds and other indebtedness for consideration by the Successor Agency and the Oversight Board. This report will be made available to the California Department of Finance (the “**Department of Finance**”) at its request.
- UU.** There are potential debt-service savings that can be achieved through a refinancing of all or a portion of the Prior Obligations to achieve debt-service savings or otherwise comply with the terms of section 34177.5 of the Dissolution Law (including section 34177.5(a)(1)) and the Refunding Law, and the Successor Agency has determined to issue its 2015 Tax Allocation Refunding Bonds in one or more series, on a taxable basis or a tax-exempt basis, or both, and with such other name and series designation as is deemed appropriate (the “**2015 Refunding Bonds**”), in substantially the form attached as Appendix A to the 2015 Indenture (as defined below), for the purposes of (1) refunding all or a portion of the Prior Obligations; (2) paying the costs of issuing the 2015 Refunding Bonds, including reasonable staff and consultants costs; (3) funding

one or more reserve accounts for the 2015 Refunding Bonds; and (4) if advisable, paying for the cost of municipal bond insurance or a surety, or both, to fund any reserve accounts for the 2015 Refunding Bonds in lieu of funding all or a portion of a reserve account with bond proceeds.

- VV.** The 2015 Refunding Bonds will be issued in accordance with an Indenture of Trust between the Successor Agency and U.S. Bank National Association, as trustee (the “**2015 Indenture**”).
- WW.** The 2015 Refunding Bonds when issued will be payable from Tax Revenues (as defined in the 2015 Indenture) on a basis subordinate to the Successor Agency’s project-area-specific repayment obligations under the following enforceable obligations: (1) the non-callable portion of the 2003 Del Paso Loan Agreement relating to the 2003A TABs that are capital-appreciation bonds; (2) the non-callable portions of the 2005 Merged Downtown Loan Agreement and the 2005 Oak Park Loan Agreement relating to the 2005A TABs that are capital-appreciation bonds; (3) the taxable portions of the 2006 65th Street Advance Agreement, the 2006 Army Depot Advance Agreement, the 2006 North Sacramento Advance Agreement, and the 2006 Richards Boulevard Advance Agreement relating to the 2006B CIRBs; (4) the 2006 Stockton Boulevard Advance Agreement relating to the 2006E CIRBs; and (5) those obligations, if any, among the proposed Prior Obligations deemed not eligible for refunding, and not in fact refunded or defeased with net proceeds of the 2015 Refunding Bonds, from amounts on deposit in the Redevelopment Property Tax Trust Fund of the Successor Agency (the “**RPTTF**”) and allocated to the Successor Agency’s Redevelopment Obligation Retirement Fund under the 2015 Indenture.
- XX.** The Successor Agency has determined that approximately \$25,859,359 in remaining proceeds (which amount constitutes all remaining proceeds of the agreements listed above, including approximately \$17,004,350 from tax-exempt issues and approximately \$8,855,009 from taxable issues, and not all of which are being considered for refunding at this time and pertain to the Prior Obligations) have been identified for expenditure in a manner consistent with the bond covenants for the Prior Obligations and any remaining proceeds relating to the Prior Obligations (the “**Prior Proceeds**”) that are not expected and approved to be spent by the Successor Agency in a manner consistent with the bond covenants for the Prior Obligations and related bonds giving rise to the Prior Proceeds and Assembly Bill No. 1484 will be used to defease and refund the applicable Prior Obligations and/or to fund a debt-service-reserve account for the related 2015 Refunding Bonds.
- YY.** In connection with the purpose stated in paragraph UU above, the Successor Agency will provide the trustee for each of the Prior Obligations, in accordance therewith, money and investment securities sufficient to prepay or redeem, as applicable, and refund all or a portion of the Prior Obligations in accordance with the terms thereof (resulting in the refunding of all or a portion of the bonds relating to the Prior Obligations).

- ZZ.** Stifel, Nicolaus & Company, Incorporated and Morgan Stanley & Co. LLC (the “**Underwriters**”) have submitted to the Successor Agency a proposed form of an agreement to purchase each series of the 2015 Refunding Bonds (the “**Bond-Purchase Agreement**”) between the Underwriters and the Successor Agency.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE SUCCESSOR AGENCY RESOLVES AS FOLLOWS:

- Section 1. Background Findings.** The statements in the Background are true.
- Section 2. Approval of Bonds.** Subject to section 3 below and the approval of the Oversight Board, the issuance of the 2015 Refunding Bonds in one or more series, on a federally tax-exempt or taxable basis, in a combined aggregate principal amount not to exceed \$160,000,000, on the terms and conditions set forth in, and subject to the limitations specified in, the 2015 Indenture, is hereby authorized and approved. The 2015 Refunding Bonds must be dated, accrue interest at the rates, mature on the dates, be issued in the form, and be otherwise as provided in the 2015 Indenture, as the same must be completed as provided in this resolution.
- Section 3. Approval of 2015 Indenture; Execution of 2015 Refunding Bonds.** The 2015 Indenture providing for the issuance of the 2015 Refunding Bonds, in the form on file with the Sacramento City Clerk acting on behalf of the Successor Agency (the “**Redevelopment Agency Successor Agency Clerk**”), is hereby approved.
- (a) The Chairperson of the Successor Agency, the Sacramento City Treasurer and the City Treasury Manager (Debt) acting on behalf of the Successor Agency, and the Redevelopment Agency Successor Agency Clerk (each an “**Authorized Officer**,” and collectively the “**Authorized Officers**”) are each hereby authorized and directed, for and in the name of the Successor Agency, to execute and deliver the 2015 Indenture in substantially the form on file, with such changes as the Authorized Officer executing it may, upon consultation with the Sacramento City Attorney serving as legal counsel to the Successor Agency (the “**City Attorney**”), in consultation with bond counsel, require or approve, with approval to be conclusively evidenced by the execution and delivery thereof.
- (b) Each of the Authorized Officers is hereby authorized and directed to execute, and the Redevelopment Agency Successor Agency Clerk is hereby authorized to countersign, each of the 2015 Refunding Bonds on behalf of the Successor Agency, either manually or in facsimile, and this signing will be a sufficient and binding execution of the 2015 Refunding Bonds by the Successor Agency. If an Authorized Officer whose signature appears on the 2015 Refunding Bonds ceases to be such before the delivery of the

2015 Refunding Bonds to the purchaser, then that officer's signature will nevertheless be valid and sufficient for all purposes as though the officer had remained in office until the delivery of the 2015 Refunding Bonds.

Section 4. Approval of Bond-Purchase Agreement. The form of the Bond-Purchase Agreement on file with the Redevelopment Agency Successor Agency Clerk is hereby approved. The Authorized Officers are each hereby authorized and directed, for and in the name of the Successor Agency, to execute and deliver one or more Bond-Purchase Agreements in substantially the form on file, with such changes as the Authorized Officer executing it may, upon consultation with the City Attorney, in consultation with bond counsel, require or approve, with approval to be conclusively evidenced by the execution and delivery thereof, subject to all of the following:

- (a) The issuance of the 2015 Refunding Bonds must comply with section 34177.5(a) of the Dissolution Law.
- (b) The underwriters' discount (exclusive of original-issue discount) may not exceed 1.0%.
- (c) The principal amount of the 2015 Refunding Bonds may not exceed the amount required to discharge, defease, or refund the Prior Obligations; to establish customary debt-service reserves; and to pay related costs of issuance.

Section 5. Request for Oversight Board Determinations. The Successor Agency requests that the Oversight Board make the following determinations, upon which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the 2015 Refunding Bonds:

- (a) The Successor Agency is authorized, as provided in section 34177.5(f) of the Dissolution Law, to recover its costs related to the issuance of the 2015 Refunding Bonds from the proceeds of the 2015 Refunding Bonds, including the costs of the independent financial advisor and the cost of reimbursing the Successor Agency's administrative staff for time spent with respect to the authorization, issuance, sale, and delivery of the 2015 Refunding Bonds.
- (b) The application of proceeds of the 2015 Refunding Bonds by the Successor Agency to the refunding and defeasance of the Prior Obligations, as well as the payment by the Successor Agency of costs of issuance of the 2015 Refunding Bonds, as provided in section 34177.5(a) of the Dissolution Law, may be implemented by the Successor Agency promptly upon sale and delivery of the 2015

Refunding Bonds, notwithstanding section 34177.3 of the Dissolution Law or any other provision of law to the contrary, and for no other purpose without the approval of the Oversight Board and the Department of Finance.

- (c) In accordance with section 34177.5(f) of the Dissolution Law, the Successor Agency is entitled to receive its full allocation of the administrative cost allowance under section 34183(a)(3) of the Dissolution Law without any deductions with respect to continuing costs related to the 2015 Refunding Bonds, such as trustee's fees; auditing, financial-advisor, and fiscal-consultant fees; and continuing-disclosure and rating-agency costs (collectively, "**Compliance Costs**" as defined in the 2015 Indenture). The Compliance Costs will be payable from property-tax revenues in accordance with section 34183 of the Dissolution Law. In addition, and as provided by section 34177.5(f) of the Dissolution Law, if the Successor Agency is unable to complete the issuance of the 2015 Refunding Bonds for any reason, the Successor Agency will nevertheless be entitled to recover its costs incurred with respect to the refunding proceedings of the 2015 Refunding Bonds from property-tax revenues in accordance with section 34183 of the Dissolution Law without reduction in its administrative cost allowance.
- (d) Prior Proceeds have been identified to be spent in a manner consistent with the bond covenants for the Prior Obligations, and any remaining proceeds of the Prior Obligations that are not expected and approved to be spent by the Successor Agency in a manner consistent with the bond covenants for the Prior Obligations and related bonds giving rise to the Prior Proceeds and Assembly Bill No. 1484 will be used to defease and refund the applicable Prior Obligations and/or to fund a debt-service-reserve account for the related 2015 Refunding Bonds.

Section 6. Other Acts.

- (a) Each of the Authorized Officers and other appropriate officers of the Successor Agency, including the City Attorney, each acting alone, is authorized and directed to do any and all things and to execute and deliver any and all documents and contracts the officer deems necessary or advisable in order to consummate the sale, execution, and delivery of the 2015 Refunding Bonds and otherwise to carry **out, give effect to, and comply with the terms and intent of this** resolution, the 2015 Refunding Bonds, and the Bond-Purchase Agreement. This authorization includes but is not limited to the following: amending any indenture, trust agreement, loan agreement, advance agreement, or other agreement relating to the

Prior Obligations; securing municipal-bond insurance on the 2015 Refunding Bonds and a reserve surety to fund any reserve account or fund established for the 2015 Refunding Bonds, if available (which may include entering into one or more mutual-insurance agreements therefor); requesting subordination of any amounts required to be paid to an affected taxing entity to any or all of the 2015 Refunding Bonds, and as the officer may require or approve; and taking any other action in furtherance of this resolution, upon consultation with the City Attorney, bond counsel, and the Successor Agency's financial advisor. All such actions previously taken by such officers are hereby ratified, confirmed, and approved.

- (b) Each of the Authorized Officers is hereby authorized and directed to file the Bond Refunding Financing Plan, together with a certified copy of this resolution, with the Oversight Board and, as provided in section 34180(j) of the Dissolution Law, the Department of Finance.

Section 7. Bond Issuance Services. Orrick, Herrington and Sutcliffe LLP ("**OH&S**") is hereby approved and appointed as bond counsel; Stradling Yocca Carlson & Rauth, a Professional Corporation ("**SYCR**"), is hereby approved and appointed as disclosure counsel; Fraser & Associates is hereby approved and appointed as fiscal consultant; and First Southwest Company, LLC ("**FSW**") is hereby approved and appointed as financial advisor, each to provide such services and any other related services as may be required to issue the 2015 Refunding Bonds and to defease or refund the Prior Obligations.

- (a) The Agreement for Bond-Counsel Services on file with the Redevelopment Agency Successor Agency Clerk, under which OH&S will provide legal services as bond counsel, is hereby approved. The City Attorney is hereby authorized and directed to execute the agreement and deliver it to OH&S on the Successor Agency's behalf in substantially the form on file, with any changes the City Attorney may require or approve, the City Attorney's approval to be conclusively evidenced by the execution and delivery of the agreement.
- (b) The Disclosure-Counsel Agreement on file with the Redevelopment Agency Successor Agency Clerk, under which SYCR will provide legal services as disclosure counsel, is hereby approved. The City Attorney is hereby authorized and directed to execute the agreement and deliver it to SYCR on the Successor Agency's behalf in substantially the form on file, with any changes the City Attorney may require or approve, the City Attorney's approval to be conclusively evidenced by the execution and delivery of the agreement.

- (c) The Professional Services Agreement on file with the Redevelopment Agency Successor Agency Clerk, under which Fraser & Associates will provide fiscal-consultant services, is hereby approved. The City Treasurer is hereby authorized and directed to execute the agreement and deliver it to Fraser & Associates on the Successor Agency's behalf in substantially the form on file, with any changes the City Treasurer may require or approve with the concurrence of the City Attorney, the City Treasurer's approval to be conclusively evidenced by the execution and delivery of the agreement.

- (d) The Professional Services Agreement on file with the Redevelopment Agency Successor Agency Clerk, under which FSW will provide financial-advisor services, is hereby approved. The City Treasurer is hereby authorized and directed to execute the agreement and deliver it to FSW on the Successor Agency's behalf in substantially the form on file, with any changes the City Treasurer may require or approve with the concurrence of the City Attorney, the City Treasurer's approval to be conclusively evidenced by the execution and delivery of the agreement.

Section 8. Severability. If any provision of this resolution or the application of any provision to any person or circumstance is held invalid, that invalidity will 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 would have adopted this resolution irrespective of the invalidity of any particular portion of this resolution.

Section 9. Effective Date. This resolution takes effect when adopted.

Table of Contents:

- Exhibit A: List of Tax-Increment Obligations to be Refunded
- Exhibit B: Bond Refunding Financing Plan
- Exhibit C: 2015 Indenture
- Exhibit D: Bond-Purchase Agreement

EXHIBIT A

List of Tax-Increment Obligations to be Refunded and to Remain Outstanding

Related Bond Series	Existing SA Obligation	Outstanding Balances		Unrefunded Existing Obligations	2015 Refunding Candidates
		CIBs ¹	CABs (maturity value) ²		
1999 Capital Improvement Revenue Bonds					
	1999 Oak Park Loan Agmt.	\$ 1,675,000			\$ 1,675,000
2002 Capital Improvement Revenue Bonds					
	2002 Merged Downtown Loan Agmt.	5,435,000			5,435,000
	2002 Stockton Advance Agmt.	270,000			270,000
	Total	5,705,000			5,705,000
2005 Refunding Revenue Bonds					
	2005 Del Paso Loan Agmt. (1st Am)	3,980,000			3,980,000
	2005 Del Paso Advance Agmt. (1st Am)	975,000			975,000
	2005 Merged Downtown Advance Agmt. (1st Am)	6,790,000			6,790,000
	2005 North Sacramento Advance Agmt. (1st Am)	3,850,000			3,850,000
	2005 Oak Park Advance Agmt. (1st Am)	945,000			945,000
	2005 Richards Blvd. Advance Agmt. (1st Am)	4,430,000			4,430,000
	Total	20,970,000			20,970,000
2006A Capital Improvement Revenue Bonds					
	2006 65th Street Advance Agmt.	1,495,000			1,495,000
	2006 Army Depot Advance Agmt.	6,240,000			6,240,000
	2006 North Sacramento Advance Agmt.	455,000			455,000
	Total	8,190,000			8,190,000
2006B Capital Improvement Revenue Bonds					
	2006 65th Street Advance Agmt.	3,660,000		3,660,000	
	2006 Army Depot Advance Agmt.	2,947,031		2,947,031	
	2006 North Sacramento Advance Agmt.	4,275,000		4,275,000	
	2006 Richards Blvd. Advance Agmt.	2,757,969		2,757,969	
	Total	13,640,000		13,640,000	
2006E Capital Improvement Revenue Bonds					
	2006 Stockton Blvd. Advance Agmt. (2d Am)	1,989,820		1,989,820	
1993 Tax Allocation Bonds					
	1993 Merged Downtown Loan Agmt.		34,185,000		\$ 34,185,000
2003A Tax Allocation Bonds					
	2003 Del Paso Loan Agmt.	3,540,000	8,235,000	8,235,000	3,540,000
2003C Tax Allocation Bonds					
	2003 North Sacramento Loan Agmt.	4,365,000			4,365,000
	2003 Alkali Flat Loan Agmt.	4,000,000			4,000,000
	Total	8,365,000			8,365,000
2005A Tax Allocation Bonds					
	2005 Merged Downtown Loan Agmt.	13,520,000	201,351,893	201,351,893	13,520,000
	2005 Oak Park Loan Agmt.	6,980,000	4,610,000	4,610,000	6,980,000
	Total	20,500,000	205,961,893	205,961,893	20,500,000
2005B Tax Allocation Bonds					
	2005 Merged Downtown Loan Agmt.	31,405,000			31,405,000
	2005 Oak Park Loan Agmt.	5,385,000			5,385,000
	Total	36,790,000			36,790,000

¹ CIBs = Current Interest Bonds.

² CABs = Capital Appreciation Bonds.

Related Bond Series	Existing SA Obligation	Outstanding Balances		Unrefunded Existing Obligations	2015 Refunding Candidates
		CIBs ¹	CABs (maturity value) ²		
2005 I-Bank Loan					
	2005 North Sacramento I-Bank Loan Agmt.	\$	3,391,933.78		\$ 3,391,933.78
2006A Tax Allocation Bonds					
	2006 Del Paso Loan Agmt.		5,080,000		5,080,000
	2006 Oak Park Loan Agmt.		6,495,000		6,495,000
	Total		11,575,000		11,575,000
2006B Tax Allocation Bonds					
	2006 Del Paso Loan Agmt.	\$	2,050,000		\$ 2,050,000
2006 I-Bank Loan					
	2006 Stockton Blvd. I-Bank Loan Agmt.	\$	2,835,604.59		\$ 2,835,604.59



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Joseph Yew
Senior Vice President

joseph.yew@firstsw.com

June 3, 2015

Ms. Nichelle Thomas, Supervisor
California Department of Finance
915 L Street
Sacramento, CA 95814-3706

Re: Redevelopment Agency Successor Agency for the dissolved Redevelopment Agency of the City of Sacramento
Financial Advisory Review of Bond Refunding Financing Plan

Dear Ms. Thomas:

As the Independent Financial Advisor to the Redevelopment Agency Successor Agency for the dissolved Redevelopment Agency of the City of Sacramento ("RASA"), First Southwest Company, LLC ("FirstSouthwest") is required per Assembly Bill No. 1484 to review any refinancing proposal submitted by the RASA to the Department of Finance ("DOF") for approval.

The RASA currently administers thirteen outstanding series of bonds and two loans secured by tax increment. In the current low interest rate environment, the RASA's issuance of tax-exempt and taxable tax allocation refunding bonds (the "Refunding Bonds") to refund eleven series of these bonds and the two loans (28 enforceable obligations in total) is expected to generate refinancing savings for the RASA and other stakeholders, as well as greatly simplify future ROPS reporting. A list of the Refunding Candidates is provided as *Table 1*.

We examined the methodology and assumptions provided to the RASA by the senior managing underwriter, Stifel, Nicolaus & Company, Inc. ("Stifel"), regarding the issuance of the Refunding Bonds as shown in *Table 2*. FirstSouthwest independently verified that Stifel's calculations of projected refunding savings are correct (presented as *Table 3*). Consequently, we determined that the combined principal and interest payments on the Refunding Bonds are expected to be less than those of the Refunding Candidates, in accordance with 34177.5. (a) (1) of the Health and Safety Code.

While FirstSouthwest represents that the interest rates assumed by Stifel are a reasonable representation of those available in the municipal bond market on May 5, 2015, we provide no assurances that these interest rate assumptions will represent the municipal bond market on the date of sale, currently anticipated for mid-August 2015. Lastly, we note that certain structuring decisions regarding the use of financial guarantee insurance and debt service reserve surety bonds, etc. will be made on a basis which ensures the best economic outcome.

Sincerely yours,

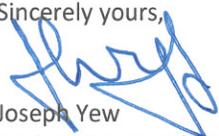

Joseph Yew
Senior Vice President

TABLE 1: Refunding Candidates

2015 Series A (Tax-Exempt)			
Bond Series and Existing RASA Obligation	EO#	Principal Refunded	RASA Obligation Refunded
Series 1999 Capital Improvement Revenue Bonds		\$1,675,000	
1999 Oak Park Loan Agreement	276, 288		\$1,675,000
Series 2002 Capital Improvement Revenue Bonds		5,705,000	
2002 Merged Downtown Loan Agreement	188, 190		5,435,000
2002 Stockton Blvd. Advance Agreement	345, 350		270,000
Series 2003A Tax Allocation Bonds		3,540,000	
2003 Del Paso Loan Agreement	97, 98		3,540,000
Series 2003C Tax Allocation Bonds		8,365,000	
2003 North Sacramento Loan Agreement	31, 32		4,365,000
2003 Alkali Flat Loan Agreement	31, 32		4,000,000
Series 2005 Revenue Refunding Bonds		20,970,000	
2005 Del Paso Loan Agreement (1st Am)	89, 90		3,980,000
2005 Del Paso Advance Agreement (1st Am)	89, 90		975,000
2005 Merged Downtown Advance Agreement (1st Am)	89, 90		6,790,000
2005 North Sacramento Advance Agreement (1st Am)	89, 90		3,850,000
2005 Oak Park Advance Agreement (1st Am)	89, 90		945,000
2005 Richards Blvd. Advance Agreement (1st Am)	89, 90		4,430,000
Series 2005A Tax Allocation Bonds		20,500,000	
2005 Merged Downtown Loan Agreement	193, 194		13,520,000
2005 Oak Park Loan Agreement	193, 194		6,980,000
Series 2006A Tax Allocation Bonds		11,575,000	
2006 Del Paso Loan Agreement	99, 100		5,080,000
2006 Oak Park Loan Agreement	99, 100		6,495,000
Series 2006A Capital Improvement Revenue Bonds		8,190,000	
2006 65th Street Advance Agreement	7, 8		1,495,000
2006 Army Depot Advance Agreement	7, 8		6,240,000
2006 North Sacramento Advance Agreement	7, 8		455,000
2005 CIEDB Loan		3,391,933	
2005 North Sacramento I-Bank Loan Agreement	236, 237		3,391,933
2006 CIEDB Loan		3,274,933	
2006 Stockton Boulevard I-Bank Loan Agreement	342, 343		3,274,933
Subtotal Tax-Exempt Obligations		\$87,186,866	\$87,186,866

2015 Series B (Taxable)			
Bond Series and Existing RASA Obligation	EO#	Principal Refunded	RASA Obligation Refunded
Series 1993 Tax Allocation Bonds*		\$34,185,000	
1993 Merged Downtown Loan Agreement*	189, 191		\$34,185,000
Series 2005B Tax Allocation Bonds		36,790,000	
2005 Merged Downtown Loan Agreement	195, 196		31,405,000
2005 Oak Park Loan Agreement	195, 196		5,385,000
Series 2006B Tax Allocation Bonds		2,050,000	
2006 Del Paso Loan Agreement	101, 102		2,050,000
Subtotal Taxable Obligations		\$73,025,000	\$73,025,000
All Obligations		\$160,211,866	\$160,211,866

* Represents maturity (fully accreted) value of capital appreciation bond.

TABLE 2: Refunding Assumptions

Refunding Assumptions	
Delivery Date	September 2, 2015
Interest Rates as of	May 5, 2015 plus 25 bps
Credit Rating	AA insured (A+ underlying)
Underwriter's Discount	\$5.00 per \$1,000 bond
Costs of Issuance	\$250,000
Bond Insurance Premium	0.65% of total debt service
Reserve Surety Premium	4.0% of reserve requirement

TABLE 3: Projected Refunding Results

	2015 Series A (Tax Exempt)	2015 Series B (Taxable)	Total
Refunded Par ¹	\$87,186,866	\$73,025,000	\$160,211,866
Refunding Par	73,055,000	61,040,000	134,095,000
Gross Savings	6,845,558	2,597,867	9,443,426
Net Present Value (NPV) Savings ²	3,452,868	2,150,674	5,603,542
NPV Savings (% of refunded par)	3.96%	3.04%	3.55%
Refunded Bonds' Average Coupon	4.68%	5.58%	4.86%
Refunding All-in TIC	3.80%	3.19%	3.64%

¹ Includes maturity (fully accreted) value of Series 1993 TABs capital appreciation bond.

² Gross savings discounted to September 2, 2015 using the projected all-in cost of 3.64%.

INDENTURE OF TRUST

between

**REDEVELOPMENT AGENCY SUCCESSOR AGENCY
of the dissolved Redevelopment Agency of the City of Sacramento**

and

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

Dated as of ____ 1, 2015

relating to

**Successor Agency to the
Redevelopment Agency of the City of Sacramento
2015 Tax Allocation Refunding Bonds**

including

\$ _____
Series A (Tax-Exempt)

\$ _____
Series B (Federally Taxable)

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THIS INDENTURE OF TRUST, dated as of ____ 1, 2015 (the “**Indenture**”), between U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized under the laws of the United States of America (the “**Trustee**”) and the REDEVELOPMENT AGENCY SUCCESSOR AGENCY of the dissolved Redevelopment Agency of the City of Sacramento (RASA) aka SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO (the “**Successor Agency**”), a public body, corporate and politic, duly organized and existing pursuant to the Community Redevelopment Law of the State of California,

WITNESSETH:

WHEREAS, pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the California Health and Safety Code and referred to herein as the “**Law**”), the City Council of the City of Sacramento (the “**City**”) created the former Redevelopment Agency of the City of Sacramento (the “**Former RDA**”); and

WHEREAS, the Former RDA was a redevelopment agency, a public body, corporate and politic duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Law, and the powers of the Former RDA included the power to issue bonds for any of its corporate purposes; and

WHEREAS, the City agreed to serve as the successor agency (referred to herein as the Successor Agency) to the Former RDA commencing upon the dissolution of the Former RDA on February 1, 2012 pursuant to Assembly Bill XI 26 (“**AB 26**”); and

WHEREAS, Assembly Bill No. 1484 (“**AB 1484**”), a follow on bill to AB 26, was enacted on June 27, 2012, and provides a mechanism to refund outstanding bonds or other indebtedness under certain circumstances; and

WHEREAS, Section 34177.5(b) of the Law authorizes a successor agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “**Refunding Law**”); and

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

WHEREAS, by the adoption of Ordinance No. 2004-032 on June 29, 2004, the City duly established its 65th Street Redevelopment Project in accordance with the Law, as then applicable; and

WHEREAS, by the adoption of Ordinance Nos. 86-063, 064, 065, 066, and 067 on June 17, 1986, the City duly established its Merged Downtown Redevelopment Project in accordance with the Law, as then applicable; and

WHEREAS, by the adoption of Ordinance No. 3287 on May 30, 1973, the City duly established its Oak Park Redevelopment Project in accordance with the Law, as then applicable; and

WHEREAS, by the adoption of Ordinance No. 3086 on February 10, 1972, the City duly established its Alkali Flat Redevelopment Project in accordance with the Law, as then applicable; and

WHEREAS, by the adoption of Ordinance No. 2008-023 on May 13, 2008, the City duly established its Railyards Redevelopment Project in accordance with the Law, as then applicable; and

WHEREAS, by the adoption of Ordinance No. 95-034 on June 27, 1995, the City duly established its Army Depot Redevelopment Project in accordance with the Law, as then applicable; and

WHEREAS, by the adoption of Ordinance No. 93-071 on December 14, 1993, the City, and by the adoption of Ordinance No. _____ on _____, 1992, the County of Sacramento (the **“County”**), jointly duly established the Franklin Boulevard Redevelopment Project in accordance with the Law, as then applicable (which project area is administered by the Successor Agency and property-tax revenues attributed to and deposited into the Redevelopment Property Tax Trust Fund of the Successor Agency, established pursuant to subdivision (c) of Section 34172 of the California Health and Safety Code (the **“RPTTF”**)); and

WHEREAS, by the adoption of Ordinance No. 90-037 on July 17, 1990, the City duly established its Richards Boulevard (currently River District) Redevelopment Project in accordance with the Law, as then applicable; and

WHEREAS, by the adoption of Ordinance No. 94-017 on June 16, 1994, the City, and by the adoption of Ordinance No. ORD-1434 on June 16, 1994, the County of Sacramento (the **“County”**), jointly duly established the Stockton Boulevard Redevelopment Project in accordance with the Law, as then applicable (which project area is administered by the Successor Agency and property-tax revenues attributed to and deposited into the RPTTF); and

WHEREAS, by the adoption of Ordinance No. 2884 on May 12, 1970, the City duly established its Del Paso Heights Redevelopment Project in accordance with the Law, as then applicable; and

WHEREAS, by the adoption of Ordinance No. 92-028 on June 30, 1992, the City duly established its North Sacramento Redevelopment Project in accordance with the Law, as then applicable; and

WHEREAS, in 1993, the Former RDA executed and delivered the Merged Downtown Sacramento Loan Agreement (the **“1993 Merged Downtown Loan Agreement”**) dated as of May 1, 1993, between the Former RDA, the Sacramento City Financing Authority (**“SCFA”**), and Bank of America National Trust and Savings Association (predecessor trustee to U.S. Bank National Association), evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$34,185,000 accreted value will be due at final maturity, which loan is subject to discharge upon deposit of an amount sufficient to make aggregate scheduled loan payments due through November 1, 2017, without premium; and

WHEREAS, in 1999, the Former RDA executed and delivered the Oak Park Loan Agreement (the **“1999 Oak Park Loan Agreement”**) dated as of December 1, 1999, between the Former RDA and the City, evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$1,675,000 is currently outstanding, which loan is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium; and

WHEREAS, in 2002, the Former RDA executed and delivered the Merged Downtown Loan Agreement (the **“2002 Merged Downtown Loan Agreement”**) dated as of July 1, 2002, between the Former RDA and the City, evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$5,435,000 is currently outstanding, which loan is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium; and

WHEREAS, in 2002, the Former RDA executed and delivered the Stockton Boulevard Advance Repayment Agreement (the **“2002 Stockton Advance Agreement”**) dated as of July 1, 2002, between the Former RDA and the City, evidencing the advance of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$270,000 is currently outstanding, which advance is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium; and

WHEREAS, the 2002 Merged Downtown Loan Agreement and the 2002 Stockton Advance Agreement were each executed and delivered for the purpose of securing a portion of debt-service payments on, and in connection with the issuance by SCFA of, \$160,475,000 aggregate principal amount of 2002 Revenue Bonds, Series A (City Hall and Redevelopment Projects), of which approximately \$6,710,000 is currently outstanding (the **“2002 CIRBs”**), issued under an Indenture dated as of July 1, 2002, between SCFA and The Bank of New York Mellon Trust Company, N.A. (formerly known as BNY Western Trust Company). The 2002 CIRBs are subject to optional redemption on any date at a price equal to the outstanding principal amount called for redemption, plus interest due thereon to the date fixed for redemption, without premium; and

WHEREAS, in 2003, the Former RDA executed and delivered the Del Paso Heights Loan Agreement (the **“2003 Del Paso Loan Agreement”**) dated as of December 1, 2003, between the Former RDA, U.S. Bank National Association, as trustee, and the Sacramento County Public Financing Authority (the **“County PFA”**), evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which, approximately \$11,775,000 is outstanding (approximately \$8,235,000 of which is allocable to the Successor Agency’s share of accreted value at maturity of the non-callable 2003A TABs (as defined below), and \$3,540,000 of which is allocable to the Successor Agency’s share of the 2003A TABs subject to redemption), with the portion of the loan that is allocable to the 2003A TABs being subject to prepayment on any date at a price equal to the related principal amount of 2003A TABs to be redeemed in accordance with the 2003A TABs Indenture (as defined below), plus interest due thereon to the date fixed for prepayment, without premium (the 2003 Del Paso Loan Agreement was listed on the enforceable obligation payment schedule that the Former RDA transferred to the Successor Agency even though the County PFA is a party); and

WHEREAS, the 2003 Del Paso Loan Agreement was executed and delivered for the purpose of securing a portion of debt-service payments on, and in connection with the issuance by, the County PFA of approximately \$33,695,588 initial aggregate principal amount of its 2003 Tax Allocation Revenue Bonds, Series A (Sacramento County and City Redevelopment Projects), of which \$11,775,000 is outstanding and allocable to the Successor Agency (the **“2003A TABs”**), issued under an Indenture of Trust dated as of December 1, 2003 (the **“2003A TABs Indenture”**), between the County PFA and U.S. Bank National Association, as trustee, approximately \$8,235,000 of which is allocable to the Successor Agency’s share of accreted value at maturity of the non-callable 2003A TABs and \$3,540,000 of which is allocable to the Successor Agency’s share of the 2003A TABs subject to redemption on any date at a price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, without premium (the non-callable capital-appreciation 2003A TABs relating to the 2003 Del Paso Loan Agreement are not subject to redemption); and

WHEREAS, in 2003, the Former RDA executed and delivered the Alkali Flat Loan Agreement (the **“2003 Alkali Flat Loan Agreement”**) dated as of December 1, 2003, between the Former RDA, U.S. Bank National Association, as trustee, and the County PFA, evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$4,000,000 is currently outstanding, which loan is subject to prepayment on any date at a price equal to the related principal amount of the 2003C TABs (as defined below) to be redeemed in accordance with the 2003C TABs Indenture (as defined below), plus interest due thereon to the date fixed for prepayment, without premium; and

WHEREAS, in 2003, the Former RDA executed and delivered the North Sacramento Loan Agreement (the **“2003 North Sacramento Loan Agreement”**) dated as of December 1, 2003, between the Former RDA, U.S. Bank National Association, as trustee, and the County PFA, evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$4,365,000 is currently outstanding, which loan is subject to prepayment on any date at a price equal to the related principal amount of the 2003C TABs (as defined below) to be redeemed in accordance with the 2003C TABs Indenture (as defined below), plus interest due thereon to the date fixed for prepayment, without premium; and

WHEREAS, the 2003 Alkali Flat Loan Agreement and the 2003 North Sacramento Loan Agreement were each executed and delivered for the purpose of securing debt-service payments on, and in connection with the issuance by the County PFA of, \$12,880,000 aggregate principal amount of County PFA 2003 Tax Allocation Revenue Bonds, Series C (Sacramento City Redevelopment Projects), of which approximately \$8,365,000 is currently outstanding (the **“2003C TABs”**), issued under an Indenture of Trust dated as of December 1, 2003 (the **“2003C TABs Indenture”**), between the County PFA and U.S. Bank National Association, as trustee, and the 2003C TABs are subject to optional redemption on any date at a price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, without premium; and

WHEREAS, in 2005, the Former RDA executed and delivered the First Amendment to Del Paso Heights Loan Agreement dated as of June 1, 2005, amending that Del Paso Heights Loan Agreement dated as of December 1, 1999 (as amended, the **“2005 Del Paso Loan Agreement”**), each between the Former RDA and the City, evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$3,980,000 is currently outstanding, which loan is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium; and

WHEREAS, in 2005, the Former RDA executed and delivered the First Amendment to Del Paso Heights Advance Repayment Agreement dated as of June 1, 2005, amending that Del Paso Heights Advance Repayment Agreement dated as of December 1, 1999 (as amended, the **“2005 Del Paso Advance Agreement”**), each between the Former RDA and the City, evidencing the advance of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$975,000 is currently outstanding, which advance is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium; and

WHEREAS, in 2005, the Former RDA executed and delivered the First Amendment to Merged Downtown Advance Repayment Agreement dated as of June 1, 2005, amending that Merged Downtown Advance Repayment Agreement dated as of July 1, 2002 (as amended, the **“2005 Merged Downtown Advance Agreement”**), each between the Former RDA and the City, evidencing the advance of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$6,790,000 is currently outstanding, which advance is subject to discharge upon prepayment in an amount

sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium; and

WHEREAS, in 2005, the Former RDA executed and delivered the First Amendment to North Sacramento Advance Repayment Agreement dated as of June 1, 2005, amending that North Sacramento Advance Repayment Agreement dated as of December 1, 1999 (as amended, the “**2005 North Sacramento Advance Agreement**”), each between the Former RDA and the City, evidencing the advance of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$3,850,000 is currently outstanding, which advance is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium; and

WHEREAS, in 2005, the Former RDA executed and delivered the First Amendment to Oak Park Advance Repayment Agreement dated as of June 1, 2005, amending that Oak Park Advance Repayment Agreement dated as of December 1, 1999 (as amended, the “**2005 Oak Park Advance Agreement**”), each between the Former RDA and the City, evidencing the advance of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$945,000 is currently outstanding, which advance is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium; and

WHEREAS, in 2005, the Former RDA executed and delivered the First Amendment to Richards Boulevard Advance Repayment Agreement dated as of June 1, 2005, amending that Richards Boulevard Advance Repayment Agreement dated as of December 1, 1999 (as amended, the “**2005 Richards Boulevard Advance Agreement**”), each between the Former RDA and the City, evidencing the advance of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$4,430,000 is currently outstanding, which advance is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium; and

WHEREAS, the 2005 Del Paso Loan Agreement, the 2005 Del Paso Advance Agreement, the 2005 Merged Downtown Advance Agreement, 2005 North Sacramento Advance Agreement, the 2005 Oak Park Advance Agreement, and the 2005 Richards Boulevard Advance Agreement were each executed and delivered for the purpose of securing a portion of debt-service payments on, and in connection with the issuance by SCFA of, \$173,925,000 aggregate principal amount of SCFA 2005 Refunding Revenue Bonds (Solid Waste, Redevelopment and Master Lease Program Facilities), of which approximately \$139,180,000 is currently outstanding (the “**2005 Refunding Revenue Bonds**”), and the 2005 Refunding Revenue Bonds are subject to optional redemption on any date on and after December 1, 2015, at a price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, without premium; and

WHEREAS, in 2005, the Former RDA executed and delivered the Merged Downtown Loan Agreement (the “**2005 Merged Downtown Loan Agreement**”) dated as of November 1, 2005, between the Former RDA, SCFA, and U.S. Bank National Association, as trustee, evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$214,871,893 maturity value is currently outstanding (\$201,351,893 of which is allocable to non-callable capital-appreciation 2005A TABs (as defined below), \$13,520,000 of which is allocable to the callable current interest 2005A TABs (as defined below), and \$31,405,000 of which is allocable to 2005B TABs (as defined below) subject to redemption), with the portion of the loan that is allocable to the 2005 TABs subject to redemption, being subject to prepayment on any date on or after December 1, 2015, at a price

equal to the principal installments called for prepayment, plus interest due thereon to the date fixed for prepayment, without premium; and

WHEREAS, in 2005, the Former RDA executed and delivered the Oak Park Loan Agreement (the **“2005 Oak Park Loan Agreement”**) dated as of November 1, 2005, between the Former RDA, SCFA, and U.S. Bank National Association, as trustee, evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$11,590,000 is outstanding (approximately \$4,610,000 of which is allocable to the accreted value at maturity of the non-callable capital-appreciation 2005A TABs (as defined below), \$6,980,000 of which is allocable to the callable current interest 2005A TABs (as defined below), and \$5,385,000 of which is allocable to the 2005B TABs (as defined below) subject to redemption), with the portion of the loan that is allocable to the 2005 TABs subject to redemption, being subject to prepayment on any date on or after December 1, 2015, at a price equal to the principal installments called for prepayment, plus interest due thereon to the date fixed for prepayment, without premium; and

WHEREAS, the 2005 Merged Downtown Loan Agreement and the 2005 Oak Park Loan Agreement were each executed and delivered for the purpose of securing debt-service payments on, and in connection with the issuance by SCFA of, \$92,372,235.75 aggregate initial principal amount of SCFA 2005 Tax Allocation Revenue Bonds, Series A (Merged Downtown and Oak Park Projects), of which approximately \$226,461,893 maturity value is outstanding (the **“2005A TABs”**), and \$46,750,000 aggregate principal amount of its 2005 Taxable Tax Allocation Revenue Bonds, Series B (Merged Downtown and Oak Park Projects), of which approximately \$36,790,000 is currently outstanding (the **“2005B TABs”** and together with the 2005A TABs, the **“2005 TABs”**), with the 2005 TABs that are current-interest bonds subject to optional redemption on any date on and after December 1, 2015, at a price equal to the outstanding principal amount thereof, plus interest due thereon to the date fixed for redemption, without premium (the 2005A TABs that are capital-appreciation bonds also relating to the 2005 Merged Downtown Loan Agreement and the 2005 Oak Park Loan Agreement are not subject to redemption); and

WHEREAS, in 2005, the Former RDA executed and delivered the Tax Allocation Loan Agreement relating to the North Sacramento Project Area (the **“2005 North Sacramento I-Bank Loan Agreement”**) dated as of December 14, 2005, as amended, between the Former RDA and the California Infrastructure and Economic Development Bank (**“I-Bank”**), evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$3,391,933.78 is currently outstanding, which loan is subject to prepayment on any date on or after December 14, 2015, at a redemption price equal to 102% of the principal installments called for prepayment, plus interest due thereon to the date fixed for prepayment; and

WHEREAS, in 2006, the Former RDA executed and delivered the Del Paso Heights Loan Agreement (the **“2006 Del Paso Loan Agreement”**) dated as of March 1, 2006, between the Former RDA, SCFA, and U.S. Bank National Association, as trustee, evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$7,130,000 is currently outstanding (\$5,080,000 of which is attributable to the 2006A TABs (as defined below), and \$2,050,000 of which is attributable to the 2006B TABs (as defined below)), which loan is subject to prepayment on any date on or after December 1, 2015 at a price equal to the principal installments called for prepayment, plus interest due thereon to the date fixed for prepayment, without premium; and

WHEREAS, in 2006, the Former RDA executed and delivered the Oak Park Loan Agreement (the **“2006 Oak Park Loan Agreement”**) dated as of March 1, 2006, between the Former RDA, SCFA, and U.S. Bank National Association, as trustee, evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$6,495,000 is currently

outstanding, which loan is subject to prepayment on any date on or after December 1, 2015, at a price equal to the principal installments called for prepayment, plus interest due thereon to the date fixed for prepayment, without premium; and

WHEREAS, the 2006 Del Paso Loan Agreement and the 2006 Oak Park Loan Agreement were each executed and delivered for the purpose of securing debt-service payments on, and in connection with the issuance by SCFA of, \$17,475,000 aggregate principal amount of SCFA 2006 Tax Allocation Revenue Bonds, Series A (Del Paso Heights and Oak Park Projects), of which approximately \$11,575,000 is currently outstanding (the “**2006A TABs**”), and \$3,735,000 aggregate principal amount of its 2006 Taxable Tax Allocation Revenue Bonds, Series B (Del Paso Heights Project), of which approximately \$2,050,000 is currently outstanding (the “**2006B TABs**” and together with the 2006A TABs, the “**2006 TABs**”), and which 2006 TABs are subject to optional redemption on any date on or after December 1, 2015, at a price equal to the outstanding principal amount called for redemption, plus interest due thereon to the date fixed for redemption, without premium; and

WHEREAS, in 2006, the Former RDA executed and delivered the Tax Allocation Loan Agreement relating to the Stockton Boulevard Project Area (the “**2006 Stockton Boulevard I-Bank Loan Agreement**”) dated as of June 1, 2006, as amended, between the Former RDA and I-Bank, evidencing the loan of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$2,835,604.59 is currently outstanding, which loan is subject to prepayment on any date on or after June 1, 2016, at a redemption price equal to the 102% of principal installments called for prepayment, plus interest due thereon to the date fixed for prepayment; and

WHEREAS, in 2006, the Former RDA executed and delivered the 65th Street Advance Repayment Agreement (the “**2006 65th Street Advance Agreement**”) dated as of June 1, 2006, between the Former RDA and the City, evidencing the advance of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$5,155,000 is currently outstanding, a portion of which advance is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium; and

WHEREAS, in 2006, the Former RDA executed and delivered the Army Depot Advance Repayment Agreement (the “**2006 Army Depot Advance Agreement**”) dated as of June 1, 2006, between the Former RDA and the City, evidencing the advance of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$9,187,031 is currently outstanding, a portion of which advance is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium; and

WHEREAS, in 2006, the Former RDA executed and delivered the Second Amendment to North Sacramento Advance Repayment Agreement dated as of June 1, 2006, amending that North Sacramento Advance Repayment Agreement dated as of December 1, 1999, as amended (as amended, the “**2006 North Sacramento Advance Agreement**”), each between the Former RDA and the City, evidencing the advance of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$4,730,000 is currently outstanding, a portion of which advance is subject to discharge upon prepayment in an amount sufficient to pay principal installments called for prepayment, plus interest due thereon to the date of redemption of related bonds, without premium; and

WHEREAS, in 2006, the Former RDA executed and delivered the Second Amendment to Richards Boulevard Advance Repayment Agreement dated as of June 1, 2006, amending that Richards Boulevard Advance Repayment Agreement dated as of December 1, 1999, as amended (as amended, the

“2006 Richards Boulevard Advance Agreement”), each between the Former RDA and the City, evidencing the advance of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$2,757,969 is currently outstanding and will not be refunded upon the issuance of the Refunding Bonds; and

WHEREAS, the 2006 65th Street Advance Agreement, the 2006 Army Depot Advance Agreement, the 2006 North Sacramento Advance Agreement, and the 2006 Richards Boulevard Advance Agreement were each executed and delivered for the purpose of securing a portion of debt-service payments on, and in connection with the issuance by SCFA of, \$95,900,000 aggregate principal amount of SCFA 2006 Capital Improvement Revenue Bonds, Series A (Community Reinvestment Capital Improvement Program), of which approximately \$73,315,000 is currently outstanding (the **“2006A CIRBs”**), and \$55,235,000 aggregate principal amount of SCFA 2006 Taxable Capital Improvement Revenue Bonds, Series B (Community Reinvestment Capital Improvement Program), of which approximately \$48,170,000 is currently outstanding (the **“2006B CIRBs”** and, together with the 2006A CIRBs, the **“2006 CIRBs”**), issued under an Indenture dated as of June 1, 2006, between SCFA and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), and the 2006A CIRBs are subject to optional redemption on any date on or after December 1, 2016, at a price equal to the outstanding principal amount called for redemption, plus interest due thereon to the date fixed for redemption, without premium (the 2006B CIRBs also relating to the 2006 65th Street Advance Agreement, the 2006 Army Depot Advance Agreement, the 2006 North Sacramento Advance Agreement, and the 2006 Richards Boulevard Advance Agreement are not subject to redemption that would result in material savings); and

WHEREAS, in 2006, the Former RDA executed and delivered the Second Amendment to the Stockton Boulevard Advance Repayment Agreement dated as of December 1, 2006, amending that Stockton Boulevard Advance Repayment Agreement dated as of July 1, 2002, as amended (as amended, the **“2006 Stockton Boulevard Advance Agreement”**), each between the Former RDA and the City, evidencing the advance of funds to finance and refinance redevelopment activities and repayment over time, of which approximately \$1,989,820 is currently outstanding and will not be refunded upon the issuance of the Refunding Bonds; and

WHEREAS, the Stockton Boulevard Advance Agreement was executed and delivered for the purpose of securing a portion of debt-service payments on, and in connection with the issuance by SCFA of, \$186,950,000 aggregate principal amount of 2006 Refunding Revenue Bonds, Series E (Master Lease Program Facilities) (the **“2006E CIRBs”**), issued under an Indenture dated as of December 1, 2006, between SCFA and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.). The 2006E CIRBs are not subject to optional redemption; and

WHEREAS, the Successor Agency has determined to issue its Successor Agency to the Redevelopment Agency of the City of Sacramento 2015 Tax Allocation Refunding Bonds, Series A (the **“Series 2015A Bonds”**), and its Successor Agency to the Redevelopment Agency of the City of Sacramento 2015 Tax Allocation Refunding Bonds, Series B (Federally Taxable) (the **“Series 2015B Bonds”** and, together with the Series 2015A Bonds, the **“Series 2015 Bonds”**), in order to refund the Refunded Obligations, fund a reserve account, and pay the costs of issuance of the Series 2015 Bonds; and

WHEREAS, the Bonds (as defined in Section 1.01 below) will be secured by a pledge of, and lien on, and will be repaid from Tax Revenues (as defined in Section 1.01 below) and certain moneys deposited from time to time in the RPTTF; and

WHEREAS, the Bonds will be payable on a basis subordinate to the Successor Agency's project-area-specific repayment obligations under the following enforceable obligations: (A) the non-callable portion of the 2003 Del Paso Loan Agreement relating to the 2003A TABs that are capital-appreciation bonds; (B) the non-callable portions of the 2005 Merged Downtown Loan Agreement and the 2005 Oak Park Loan Agreement relating to the 2005A TABs that are capital-appreciation bonds; (C) the taxable portions of the 2006 65th Street Advance Agreement, the 2006 Army Depot Advance Agreement, the 2006 North Sacramento Advance Agreement, and the 2006 Richards Boulevard Advance Agreement relating to the 2006B CIRBs; (D) the 2006 Stockton Boulevard Advance Agreement relating to the 2006E CIRBs; and (E) those obligations, if any, among the proposed Existing Obligations deemed not eligible for refunding, and not in fact refunded or defeased with net proceeds of the Series 2015 Bonds, from amounts on deposit in the RPTTF and allocated to the Successor Agency's Redevelopment Obligation Retirement Fund; and

WHEREAS, all conditions, things, and acts required by law to exist, happen, and be performed precedent to, and in connection with, the issuance of the Bonds exist, have happened, and have been performed in regular and due time, form, and manner as required by law, and the Successor Agency is now duly empowered to issue the Bonds;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, and the premium, if any, and interest on, all Bonds at any time issued and outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and set forth herein, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Successor Agency does hereby covenant and agree with the Trustee, for the benefit of the owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in this section have the following meanings for all purposes of this Indenture and of the Bonds and of any certificate, opinion, report, request, or other document herein or therein.

“Additional Bonds” means all tax-allocation bonds of the Successor Agency authorized and executed pursuant to this Indenture and issued and delivered in accordance with Article IV.

“Annual Debt Service” means, for each Bond Year, the sum of (A) the interest due on the Outstanding Bonds in the Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of mandatory sinking-fund redemptions), and (B) the scheduled principal amount of the Outstanding Bonds due in the Bond Year (including any mandatory sinking-fund redemptions due in the Bond Year).

“Average Annual Debt Service” means the average of the Annual Debt Service for all Bond Years, including the Bond Year in which the calculation is made.

“Bond Counsel” means counsel of recognized national standing in the field of law relating to municipal bonds.

“Bond Insurance Policy” and **“2015 Bond Insurance Policy”** have the following meanings: **“Bond Insurance Policy”** means, as the context suggests, each of the insurance policies, or the applicable insurance policy, issued by the Bond Insurer guaranteeing the scheduled payment of principal of, and the interest when due on, the applicable Series of Bonds. **“2015 Bond Insurance Policy”** means the Municipal Bond Insurance Policy guaranteeing the scheduled payment of principal of, and the interest when due on, the Insured Series 2015 Bonds issued by the 2015 Bond Insurer and dated _____ 2015.

“Bond Insurer” and **“2015 Bond Insurer”** have the following meanings: **“Bond Insurer”** [_____]. **“2015 Bond Insurer”** means _____, or any successor thereto or assignee thereof, as insurer of the Insured Series 2015 Bonds and issuer of the 2015 Reserve Policy.

“Bond Register” means the registration books specified as such in Section 2.15.

“Bond Year” means (A) with respect to the initial Bond Year, the period from the date the Bonds are originally delivered to and including the first succeeding [December] 1, and (B) thereafter, each twelve-month period from [December] 2 in any calendar year to and including [December] 1 in the following calendar year.

“Bonds” means the Series 2015 Bonds and all Additional Bonds.

“Business Day” means any day other than (A) a Saturday or Sunday, or (B) a day on which banks located in the city in which the Principal Corporate Trust Office of the Trustee is located are required or authorized to be closed, or (C) a day on which the New York Stock Exchange is closed.

“City” means the City of Sacramento, California, or any successor entity.

“Code” means the Internal Revenue Code of 1986, as amended, and any regulations of the United States Department of the Treasury issued thereunder.

“Compliance Costs” means those costs that (A) are incurred by the Successor Agency, the Trustee, any escrow bank, or the City in connection with their compliance with this Indenture, the Escrow Instructions, or the Continuing Disclosure Certificate and (B) are chargeable against the RPTTF as provided in Sections 5.01 and 6.15. These costs include but are not limited to legal fees and charges, fees and disbursements of consultants and professionals, rating-agency fees, amounts to reimburse the Bond Insurer for draws on the Bond Insurance Policy, obligation prepayment costs, and all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code in accordance with Section 6.11 and the Tax Certificate.

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

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

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

(C) a statement that, in the consultant’s opinion, sufficient examination or investigation was made as is necessary to enable consultant to express an informed opinion with respect to the subject matter referred to in the report.

“Continuing Disclosure Certificate” means that Continuing Disclosure Certificate, dated as of _____ 1, 2015, executed and delivered by the Successor Agency, and relating to the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Corporate Trust Office” means such corporate trust office of the Trustee as may be designated from time to time by written notice from the Trustee to the Successor Agency, initially being the office located in San Francisco, California, except that, with respect to presentation of Bonds for registration, payment, redemption, transfer, or exchange, this term means the office of the Trustee in St. Paul, Minnesota, or such other office designated by the Trustee from time to time as its Corporate Trust Office.

“Costs of Issuance Fund” means the fund by that name established pursuant to Section 5.06.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency and related to the authorization, execution, and delivery of this Indenture, the Bond Purchase Agreement, the Escrow Instructions, the Continuing Disclosure Certificate, and the sale of the Bonds, including but not limited to costs of preparation and reproduction of documents; costs of rating agencies and costs to provide information required by rating agencies; filing and recording fees; initial and administrative fees and charges of the Trustee; legal fees and charges; fees and disbursements of consultants and professionals; fees and expenses of the underwriter; fees and charges for preparation, execution, and safekeeping of the Bonds; fees of the Successor Agency; and any other cost, charge, or fee in connection with the original execution and delivery of the Bonds.

“County” means the County of Sacramento, a political subdivision of the State of California.

“County Auditor-Controller” means the Auditor-Controller of the County of Sacramento.

“County Treasurer and Tax Collector” means the Treasurer and Tax Collector of the County of Sacramento.

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

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

“Escrow Instructions” means the several Escrow Instructions in the form of written direction in a Written Request of the Successor Agency delivered at closing of a Series of Bonds.

“Event of Default” means any event of default specified as such in Section 10.01.

“Existing Obligations” means the (A) the non-callable portion of the 2003 Del Paso Loan Agreement relating to the 2003A TABs that are capital-appreciation bonds; (B) the non-callable portions of the 2005 Merged Downtown Loan Agreement and the 2005 Oak Park Loan Agreement relating to the 2005A TABs that are capital-appreciation bonds; (C) the taxable portions of the 2006 65th Street Advance Agreement, the 2006 Army Depot Advance Agreement, the 2006 North Sacramento Advance Agreement, and the 2006 Richards Boulevard Advance Agreement relating to the 2006B CIRBs; and (D) the 2006 Stockton Boulevard Advance Agreement relating to the 2006E CIRBs.

“Federal Securities” means Permitted Investments described in clause (b)(3) of the definition thereof in this Section 1.01.

“Fiscal Year” means the period commencing on July 1 of each year after the date of the sale and delivery of the Bonds and terminating on the next succeeding June 30, or any other annual accounting period hereafter selected and designated by the Successor Agency as its Fiscal Year in accordance with the Law and with notice to the Trustee.

“Former RDA” means the dissolved Redevelopment Agency of the City of Sacramento created by the City Council of the City.

“Indenture” means this Indenture as originally executed or as it may from time to time be supplemented, modified, or amended by any Supplemental Indenture.

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

- (A) is in fact independent and not under the domination of the Successor Agency;
- (B) does not have any substantial interest, direct or indirect, with the Successor Agency; and
- (C) is not connected with the Successor Agency as a member, officer, or employee of the Successor Agency, but who may be regularly retained to make annual or other reports to the Successor Agency.

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

- (A) is in fact independent and not under the domination of the Successor Agency;
- (B) does not have any substantial interest, direct or indirect, with the Successor Agency; and
- (C) is not connected with the Successor Agency as a member, officer, or employee of the Successor Agency, but who may be regularly retained to make annual or other reports to the Successor Agency.

“Insured Series 2015A Bonds” means the Successor Agency to the Redevelopment Agency of the City of Sacramento 2015 Tax Allocation Refunding Bonds, Series A (Tax-Exempt) maturing on [December] 1 in the years 20__ through 20__.

“Insured Series 2015B Bonds” means the Successor Agency to the Redevelopment Agency of the City of Sacramento 2015 Tax Allocation Refunding Bonds, Series B (Federally Taxable) maturing on [December] 1 in the years 20__ through 20__.

“Insured Series 2015 Bonds” means the Insured Series 2015A Bonds and the Insured Series 2015B Bonds.

“Interest Account” means the account maintained within the Tax Increment Fund pursuant to Section 5.03.

“Interest Payment Date” means any [June] 1 or [December] 1 on which interest on any Series of Bonds is scheduled to be paid, commencing ____ 1, 20__, with respect to the Series 2015 Bonds.

“Law” means the Community Redevelopment Law of the State of California (being Part 1 of Division 24 of the California Health and Safety Code, as amended), and all laws amendatory thereof or supplemental thereto including, without limitation, the Dissolution Law.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year, including the Bond Year in which the calculation is made.

“MSRB” means the Municipal Securities Rulemaking Board. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Officer’s Certificate” means a certificate signed by the Chairperson of the Successor Agency, or by the City Treasurer or the Treasury Manager (Debt) on behalf of the Successor Agency, or by any other officer of the City acting for and in the name of the Successor Agency and duly authorized by the Successor Agency for that purpose.

“Outstanding” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.02) all Bonds except the following:

- (A) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation.
- (B) Bonds paid or deemed to have been paid within the meaning of Section 11.02.
- (C) Bonds in lieu of or in substitution for which other Bonds have been authorized, executed, issued, and delivered by the Successor Agency pursuant to this Indenture.

“Oversight Board” means the Oversight Board for Redevelopment Agency Successor Agency duly constituted from time to time pursuant to Section 34179 of the Dissolution Law.

“Owner” whenever employed herein means the Person in whose name a Bond is registered.

“Permitted Investments” means any of the following:

(A) The following obligations may be used as investment securities for all purposes, including defeasance investments in refunding escrow accounts:

- (1) Cash.
- (2) Direct obligations of the Department of the Treasury of the United States of America.
- (3) Obligations of any of the following federal agencies, which obligations represent the full faith and credit of the United States of America:
 - (a) Export-Import Bank
 - (a) Farm Credit System Financial Assistance Corporation
 - (b) Rural Economic Community Development Administration (formerly the Farmers Home Administration)

- (c) General Services Administration
- (d) U.S. Maritime Administration
- (e) Small Business Administration
- (f) Government National Mortgage Association (GNMA)
- (g) U.S. Department of Housing & Urban Development (PHA's)
- (h) Federal Housing Administration
- (i) Federal Financing Bank

(4) Direct obligations of any of the following federal agencies, which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- (a) Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)
- (b) Obligations of the Resolution Funding Corporation (REFCORP)
- (c) Senior debt obligations of the Federal Home Loan Bank System
- (d) Senior debt obligations of other government sponsored agencies approved by each Credit Enhancement Provider then providing Credit Enhancement for a Series of Bonds.

(B) The following obligations may be used as investment securities for all purposes other than defeasance investments in refunding escrow accounts:

(1) U.S. dollar denominated deposit accounts, federal funds, and bankers' acceptances with domestic commercial banks (including the Trustee and its affiliates) that have a rating (ratings on holding companies are not considered as the rating of the banks) on their short-term certificates of deposit on the date of purchase of "A-1" or "A 1+" by Standard & Poor's and "P-1" by Moody's and mature no more than 365 days after the date of purchase.

(2) Commercial paper that is rated at the time of purchase in the single highest classification, "A-1" by Standard & Poor's or "P-1" by Moody's, and matures not more than 270 days after the date of purchase.

(3) Investments in a money market fund rated at the time of investment "AAAm" or "AAAm-G" or better by Standard & Poor's, including funds for which the Trustee or an affiliate provides investment advice or other services.

(4) Pre-refunded Municipal Obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality, or local governmental unit of any such state, which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice, and—

(a) which are rated at the time of purchase, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Standard & Poor's and Moody's or any successors thereto; or

(b) (i) which are fully secured as to principal and interest and prepayment premium, if any, by an escrow consisting only of cash or obligations described in paragraph A(2) of this definition, which escrow may be applied only to the payment of such principal of and interest and prepayment premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified prepayment date or dates pursuant to such irrevocable instructions, as appropriate; and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and

interest and prepayment premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.;

(5) General obligations of any state of the United States of America or of any agency, instrumentality, or local governmental unit of any such state with a rating, at the time of purchase, of “Baa1/BBB+” or higher by both Moody’s and Standard & Poor’s.

(6) Any investment agreement with a financial institution or insurance company that has at the date of execution thereof an outstanding issue of unsecured, uninsured, and unguaranteed debt obligations or a claims-paying ability rated (or the parent company or guarantor of which is rated) in either of the two highest long-term Rating Categories by Moody’s and Standard & Poor’s.

(7) The Local Agency Investment Fund managed by the Treasurer of the State of California, as referred to in Section 16429.1 of the California Government Code, but only to the extent the investment is registered in the name of the Trustee.

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

(9) Investments in the City of Sacramento Investment Pool A.

(10) Any other forms of investments that relate solely to a Series of Bonds, as specified in a Supplemental Indenture providing for the issuance of the Series of Bonds.

“Person” means an individual, corporation, firm, association, limited liability company, partnership, trust, or other entity or group of entities, including a governmental entity or political subdivision thereof.

“Plan Limit” means the redevelopment plan limit specified in the applicable Redevelopment Plan.

“Pledge Statute” means California Health and Safety Code Section 34177.5(g).

“Principal Account” means the account maintained within the Tax Increment Fund pursuant to Section 5.03.

“Principal Corporate Trust Office” means the office of the Trustee in San Francisco, California, except that with respect to presentation of Bonds for payment, transfer, or exchange, this term means the corporate trust office of the Trustee in St. Paul, Minnesota, or such other offices as it may designate from time to time.

“Principal Payment Date” means any [December] 1 on which principal of any Series of Bonds is scheduled to be paid, commencing on [December] 1, 20__ with respect to the Series 2015 Bonds.

“Project Area” means the territory comprising, as the context requires collectively, or individually, the 65th Street, Merged Downtown, Oak Park, Alkali Flat, Railyards, Army Depot, Franklin Boulevard, River District (formerly Richards Boulevard), Stockton Boulevard, Del Paso Heights, and North Sacramento Project Areas, as described in the applicable Redevelopment Plans.

["Qualified Reserve Account Credit Instrument"] means (i) the [2015 Reserve Policy] or (ii) an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Trustee pursuant to Section 5.03(d) provided that all of the following requirements are met by the Agency at the time of delivery thereof to the Trustee: (a) S&P or Moody's has assigned a long-term credit rating of such bank or insurance company is "A" (without regard to modifier) or higher; (b) such letter of credit or surety bond has a term of at least twelve (12) months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Account Requirement with respect to which funds are proposed to be released pursuant to Section 5.03(d); (d) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account, the Principal Account or the Term Bonds Sinking Account for the purpose of making payments required pursuant to Section 5.03(d); and (e) prior written notice is given to this Indenture before the effective date of any such Qualified Reserve Account Credit Instrument.]

"Rebate Fund" means the Rebate Fund established pursuant to Section 6.11.

"Rebate Instructions" means those calculations and directions required to be delivered to the Trustee by the Successor Agency pursuant to the Tax Certificate.

"Rebate Requirement" means the Rebate Requirement defined in the Tax Certificate.

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

"Record Date" means the close of business on the 15th day of the month preceding the month in which any Interest Payment Date occurs, whether or not such day is a Business Day.

"Redevelopment Plan" means the redevelopment plan for the (A) the 65th Street Redevelopment Project by Ordinance No. 2004-032, adopted by the City Council of the City on June 29, 2004; (B) the Merged Downtown Redevelopment Project by Ordinance Nos. 86-063, 064, 065, 066, and 067, adopted by the City Council of the City on June 17, 1986; (C) the Oak Park Redevelopment Project by Ordinance No. 3287, adopted by the City Council of the City on May 30, 1973; (D) the Alkali Flat Redevelopment Project by Ordinance No. 3086, adopted by the City Council of the City on February 10, 1972; (E) the Railyards Redevelopment Project by Ordinance No. 2008-023, adopted by the City Council of the City on May 13, 2008; (F) the Army Depot Redevelopment Project by Ordinance No. 95-034, adopted by the City Council of the City on June 27, 1995; (G) the Franklin Boulevard Redevelopment Project by Ordinance No. 93-071, jointly adopted by the City Council of the City and the Board of Supervisors of the County on December 14, 1993; (H) the River District Redevelopment Project by Ordinance No. 90-037, adopted by the City Council of the City on July 17, 1990; (I) the Stockton Boulevard Redevelopment Project by City Ordinance No. 94-017 on June 16, 1994 and by the adoption of County Ordinance No. ORD-1434 on June 16, 1994; (J) the Del Paso Heights Redevelopment Project by Ordinance No. 2884, adopted by the City Council of the City on May 12, 1970; and (K) the North Sacramento Redevelopment Project by Ordinance No. 92-028, adopted by the City Council of the City on June 30, 1992, each together with all further amendments hereinbefore or hereafter made in accordance with the Law and said Ordinance.

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

“Refunded Obligations” means, collectively, [the 1993 Merged Downtown Loan Agreement, the 1999 Oak Park Loan Agreement, the 2002 Merged Downtown Loan Agreement, the 2002 Stockton Advance Agreement, the callable portion of the 2003 Del Paso Loan Agreement, the 2003 Alkali Flat Loan Agreement, the 2003 North Sacramento Loan Agreement, the 2005 Del Paso Loan Agreement, the 2005 Del Paso Advance Agreement, the 2005 Merged Downtown Advance Agreement, the 2005 North Sacramento Advance Agreement, the 2005 Oak Park Advance Agreement, the 2005 Richards Boulevard Advance Agreement, the callable portion of the 2005 Merged Downtown Loan Agreement, the callable portion of the 2005 Oak Park Loan Agreement, the 2005 North Sacramento I-Bank Loan Agreement, the 2006 Del Paso Loan Agreement, the 2006 Oak Park Loan Agreement, the 2006 Stockton Boulevard I-Bank Loan Agreement, and the callable portions of the 2006 65th Street Advance Agreement, the 2006 Army Depot Advance Agreement, and the 2006 North Sacramento Advance Agreement].

“Related Documents” means this Indenture, the ____, and the Series 2015 Bonds issued hereunder.

“Representation Letter” means the Letter of Representations from the Successor Agency and the Trustee to DTC, or any successor securities depository for the Bonds, in which the Successor Agency and the Trustee make certain representations with respect to the Bonds, the payment with respect thereto, and delivery of notices with respect thereto.

“Reserve Account” means the account maintained within the Tax Increment Fund pursuant to Section 5.03.

“Reserve Account Requirement” means as of the date of any calculation, the least of (a) 10% of the original aggregate principal amount of the Bonds (excluding Bonds refunded with the proceeds of subsequently issued Bonds), (b) Maximum Annual Debt Service, and (c) 125% of Average Annual Debt Service.

“Responsible Officer” means any Vice-President, Assistant Vice President, Trust Officer, or other officer of the Trustee having regular responsibility for corporate trust matters.

“ROPS Payment Period” means a ROPS Period, but if the Dissolution Law is hereafter amended so that each ROPS Period covers a fiscal period of a different length, then “ROPS Payment Period” will mean the period during which moneys distributed on a RPTTF Distribution Date are permitted to be expended under the Dissolution Law, as amended.

“ROPS Period” means the six-month period (commencing on each January 1 and July 1) covered by a ROPS, but if the Dissolution Law is hereafter amended so that each ROPS covers a fiscal period of a different length, then “ROPS Period” will mean such other applicable period established under the Dissolution Law, as amended.

“RPTTF” means the Redevelopment Property Tax Trust Fund by that name established pursuant to Health and Safety Code Section 34170.5(b) and administered by the County Auditor-Controller.

“RPTTF Distribution Date” means each January 2 and June 1, as specified in Section 34183 of the Dissolution Law, on which the County Auditor-Controller allocates and distributes to the Successor Agency monies from the RPTTF for payment on enforceable obligations pursuant to an approved ROPS.

“S&P” means Standard & Poor’s Financial Services LLC and its successors and assigns, except that if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating

agency, then “S&P” will refer to any other nationally-recognized rating agency selected by the Successor Agency.

“**Securities Depositories**” means The Depository Trust Company, 55 Water Street, 50th Floor, New York, New York 10041-0099, Attn – Call Notification Department, Fax (212) 855-7232; or to such other addresses and such other securities depositories as the Successor Agency may designate in a Written Request of the Successor Agency delivered to the Trustee.

“**Serial Bonds**” means Bonds for which no Sinking Account Installments are provided.

“**Series**” means each initial series of Series 2015 Bonds executed, authenticated, and delivered and identified pursuant to this Indenture as the Series 2015A Bonds and the Series 2015B and any Additional Bonds issued pursuant to a Supplemental Indenture and identified as a separate series of Bonds.

“**Series 2015 Bonds**” means, collectively, the Series 2015A Bonds and the Series 2015B Bonds.

“**Series 2015A Bonds**” means the Successor Agency to the Redevelopment Agency of the City of Sacramento 2015 Tax Allocation Refunding Bonds, Series A (Tax-Exempt).

“**Series 2015B Bonds**” means the Successor Agency to the Redevelopment Agency of the City of Sacramento 2015 Tax Allocation Refunding Bonds, Series B (Federally Taxable).

“**Sinking Account Installment**” means the amount of money required to be paid by the Successor Agency on a Sinking Account Payment Date toward the retirement of any particular Term Bonds on or before their stated maturities, as set forth in this Indenture.

“**Sinking Account Payment Date**” means any [December] 1 on which Sinking Account Installments on Term Bonds are scheduled to be paid, as set forth in this Indenture.

“**Special Record Date**” means the date established by the Trustee pursuant to Section 2.02 as a record date for the payment of defaulted interest on the Bonds.

“**Supplemental Indenture**” means any indenture amending or supplementing this Indenture hereafter duly authorized and entered into between the Successor Agency and the Trustee in accordance with the provisions of this Indenture.

“**Successor Agency**” means the Redevelopment Agency Successor Agency (RASA) of the dissolved Redevelopment Agency of the City of Sacramento, a public body, corporate and politic, duly organized and existing under and pursuant to the Law.

“**2015 Reserve Policy**” means the Municipal Bond Debt Service Reserve Insurance Policy issued by the 2015 Bond Insurer and dated _____ 2015.

“**Tax Certificate**” means the applicable certificate and agreement relating to a Series of Tax-Exempt Bonds and various federal tax requirements, including the requirements of Section 148 of the Code, signed by the Successor Agency on the date the Series of Tax-Exempt Bonds are issued, as the same may be amended or supplemented in accordance with its terms.

“**Tax-Exempt**” means, with respect to interest on any obligations of a state or local government, that the interest is excluded from the gross income of the holders thereof for federal income tax purposes,

whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

“Tax Increment Fund” means the fund established pursuant to Section 5.01.

[**“Tax Revenues”** means all taxes that were eligible for allocation to the Former Agency with respect to the Project Areas and are allocated to the Successor Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the California Constitution, or pursuant to other applicable California laws and that are deposited in the RPTTF, excluding (A) Tax Revenues required to pay debt service on the Existing Obligations, but only to the extent the Tax Revenues were pledged to the payment of debt service on the Existing Obligations, (B) amounts required to be paid under the Tax Sharing Agreements and statutory tax sharing payments or in accordance with Section 33607.5 or Section 33607.7 or Section 33676 of the Law, to the extent of the amount pledged by agreement or statute, (C)(1) the Del Paso Heights Pledge, Assignment and Security Agreement dated as of August 11, 1998 and the related Contract for Loan Guarantee Assistance between the Former RDA and the Secretary of Housing and Urban Development of the United States of America **“U.S. HUD”**) and (2) the Alkali Flat [Pledge, Assignment and Security Agreement] dated on or about September 26, 2006 and the related Contract for Loan Guarantee Assistance between the Former RDA and U.S. HUD; and (C) certain development agreements payable on a priority basis from specified revenues of a specified Project Area or Project Areas [to be specified.]]

If, and to the extent, that the provisions of Health and Safety Code Section 34172 or paragraph (2) of subdivision (a) of Section 34183 are invalidated by judicial decision, then Tax Revenues will include all tax revenues allocated to the payment of indebtedness pursuant to Health and Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution; [excluding moneys required to pay Existing Obligations payable during such period.]

“Tax Sharing Agreements” means, collectively, the following agreements of the Successor Agency: (A) the agreements with the North Sacramento School District, the Grant Union High School District, the Sacramento City Unified School District, the Los Rios Community College District, and the Sacramento County Superintendent of Schools (School Districts) dated on or about October 5, 1993, with respect to the River District Project Area; (B) the agreements with the North Sacramento School District, the Grant Union High School District, the Los Rios Community College District, and the Sacramento County Superintendent of Schools (School Districts), dated on or about December 17, 1993, with respect to the North Sacramento Project Area; (C) the agreement with the Sacramento Yolo Mosquito and Vector Control District dated June 16, 1992, with respect to the North Sacramento Project Area; (D) the agreements with the Sacramento City Unified School District, the County Superintendent of Schools, the Los Rios Community College District, the Southgate Recreation and Park District, and the Mosquito Abatement District dated on or about December 21, 1993 with respect to the Franklin Project Area; [and (E) certain development agreements payable on a priority basis from specified revenues of a specified Project Area or Project Areas.]

“Term Bonds” means Bonds that are payable on or before their specified maturity dates from Sinking Account Installments established for that purpose.

“Term Bond Sinking Account” means the account maintained within the Tax Increment Fund pursuant to Section 5.03.

“**Trustee**” means U.S. Bank National Association, appointed by the Successor Agency in Section 7.01 and acting with the duties and powers herein provided, and its successors and assigns, or any other corporation or association that may at any time be substituted in its place, as provided in Section 7.02.

“**Verification Report**” means a report by an independent firm of nationally recognized certified public accountants, addressed to the Successor Agency, the Trustee, and the Bond Insurer, verifying the sufficiency of the escrow established to pay Bonds in full at maturity or on a redemption date.

“**Written Request of the Successor Agency**” means an instrument in writing signed by the Chairperson of the Successor Agency, by the City Treasurer or the Treasury Manager (Debt) on behalf of the Successor Agency, or by any other officer of the City acting for and in the name of the Successor Agency and duly authorized by the Successor Agency for that purpose.

Section 1.02 Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this Indenture will be deemed to be and will constitute a contract between the Successor Agency and the Owners from time to time of all Bonds issued hereunder and then Outstanding to secure the full and final payment of the interest on and principal of and redemption premiums, if any, on all Bonds authorized, executed, issued, and delivered hereunder, subject to the agreements, conditions, covenants, and provisions herein contained; and the agreements and covenants herein set forth to be performed on behalf of the Successor Agency will be for the equal and proportionate benefit, security, and protection of all Owners without preference, priority, or distinction as to security or otherwise of any Bonds over any other Bonds.

ARTICLE II

THE BONDS; CERTAIN PROVISIONS OF THE SERIES 2015 BONDS

Section 2.01 General Authorization; Series 2015 Bonds. The Series 2015 Bonds and Additional Bonds may be issued at any time under and subject to the terms of this Indenture. The Successor Agency has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of its review, and hereby finds and determines, that all acts, conditions, and things required by law to exist, happen, or be performed precedent to and in connection with the issuance of the Series 2015 Bonds do exist, have happened, and have been performed in due time, form, and manner as required by law, and the Successor Agency is now duly authorized, pursuant to each and every requirement of law, to issue the Series 2015 Bonds in the manner and form provided in this Indenture. Accordingly, the Successor Agency hereby authorizes the issuance of the Series 2015 Bonds for the purposes set forth in the preamble of this Indenture.

Section 2.02 Terms of Series 2015 Bonds. The Series 2015A Bonds authorized to be issued by the Successor Agency under and subject to the terms of this Indenture, the Law, and the Refunding Law will be designated the “Successor Agency to the Redevelopment Agency of the City of Sacramento 2015 Tax Allocation Refunding Bonds, Series A (Tax-Exempt)” and will be in the aggregate principal amount of \$_____.

The Series 2015B Bonds authorized to be issued by the Successor Agency under and subject to the terms of this Indenture and the Law will be designated the “Successor Agency to the Redevelopment Agency of the City of Sacramento 2015 Tax Allocation Refunding Bonds, Series B (Federally Taxable)” and will be in the aggregate principal amount of \$_____.

The principal of and redemption premium, if any, and interest on the Series 2015 Bonds will be payable by check in lawful money of the United States of America. The Series 2015 Bonds will be issued as fully registered bonds in the denomination of \$5,000, or any integral multiple thereof (not exceeding the principal amount of the Series 2015 Bonds maturing at any one time). The Series 2015 Bonds will be numbered in consecutive numerical order from R1 upwards. The Series 2015 Bonds will bear interest from their date of initial delivery. Payment of the interest on any Series 2015 Bond will be made to the Person whose name appears on the Bond Register as the Owner thereof as of the Record Date, such interest to be paid by check mailed by first class mail on the Interest Payment Date to the Owner at the address which appears on the Bond Register as of the Record Date for that purpose; except that in the case of an Owner of \$1,000,000 or more in aggregate principal amount of Series 2015 Bonds, upon written request of such Owner to the Trustee, in form satisfactory to the Trustee, received not later than the Record Date, such interest will be paid on the Interest Payment Date in immediately available funds by wire transfer. The principal of and redemption premium, if any, on the Series 2015 Bonds will be payable at the Principal Corporate Trust Office of the Trustee upon presentation and surrender of such Series 2015 Bonds.

Notwithstanding any other provision herein contained, any interest not punctually paid or duly provided for, as a result of an Event of Default or otherwise, will forthwith cease to be payable to the Owner on the Record Date and will be paid to the Owner in whose name the Bond is authenticated at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof being given to the Owners not less than 10 days prior to such Special Record Date.

The Series 2015 Bonds will bear interest from the Interest Payment Date next preceding the date of registration thereof, unless such date of registration is during the period from the 16th day of the month next preceding an Interest Payment Date to and including such Interest Payment Date, in which event they will bear interest from such Interest Payment Date, or unless such date of registration is on or before ____ 1, 20__, in which event they will bear interest from their dated date; provided, however, that if, at the time of registration of any Series 2015 Bond, interest is then in default on the Outstanding Series 2015 Bonds, the Series 2015 Bond will bear interest from the Interest Payment Date to which interest previously has been paid or made available for payment on the Outstanding Series 2015 Bonds.

The Series 2015A Bonds will mature on the dates and in the principal amounts set forth in the table below and will bear interest on the basis of a 360-day year consisting of twelve 30-day months at the rates per annum set forth in the table below.

Maturity Date ([December] 1)	Principal Amount	Interest Rate
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		

The Series 2015B Bonds will mature on the dates and in the principal amounts set forth in the table below and will bear interest on the basis of a 360-day year consisting of twelve 30-day months at the rates per annum set forth in the table below.

<u>Maturity Date ([December] 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		

Section 2.03 Form of Series 2015 Bonds. The Series 2015 Bonds, the Trustee’s authentication and registration endorsement, and the assignment to appear thereon will be substantially in the form attached hereto as Appendix A.

Section 2.04 Redemption of Series 2015 Bonds.

(a) Optional Redemption of Series 2015A Bonds. [The Series 2015A Bonds maturing on or after August 1, 20__, are subject to optional redemption before maturity on or after August 1, 20__, at the option of the Successor Agency, in whole or in part, on any date, at a redemption price equal to the principal amount of the Series 2015A Bonds to be redeemed, plus accrued but unpaid interest to the redemption date.]

(b) Optional Redemption of Series 2015B Bonds. [The Series 2015B Bonds maturing on or after August 1, 20__, are subject to optional redemption prior to maturity on or after August 1, 20__, at the option of the Successor Agency, in whole or in part, on any date, at a redemption price equal to the principal amount of the Series 2015B Bonds to be redeemed, plus accrued but unpaid interest to the redemption date.]

Section 2.05 Notice of Redemption. In the case of any redemption of Bonds, the Trustee will give notice, as hereinafter in this section provided, that Bonds, identified by Series, CUSIP numbers, serial numbers, and maturity date, have been called for redemption and that, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof that has been called for redemption (or if all the Outstanding Bonds are to be redeemed, so stating, in which event the serial numbers may be omitted) will be due and payable on the date fixed for redemption (specifying such date) upon surrender thereof at the Principal Corporate Trust Office, at the redemption price (specifying such price), together with any accrued interest to such date, and that all interest on the Bonds, or portions thereof, so to be redeemed will cease to accrue on and after such date and that from and after such date the Bond or the portion will no longer be entitled to any lien, benefit, or security under this Indenture, and the Owner thereof will have no rights in respect of the redeemed Bond or the portion except to receive payment from such moneys of the redemption price plus accrued interest to the date fixed for redemption.

The notice must be mailed by first-class mail, postage prepaid, at least 20 but not more than 60 days before the date fixed for redemption, to the Securities Depositories, the MSRB, and the Owners, or

portions thereof, called for redemption, at their addresses as the same will last appear on the Bond Register. No notice of redemption need be given to the Owner of a Bond to be called for redemption if the Owner waives notice in writing, and the waiver is filed with the Trustee before the redemption date. Neither the failure of an Owner to receive notice of redemption of Bonds hereunder nor any error in the notice will affect the validity of the proceedings for the redemption of Bonds.

Any notice of redemption may be expressly conditional and may be rescinded by Written Request of the Successor Agency given to the Trustee not later than the date fixed for redemption. Upon receipt of the Written Request of the Successor Agency, the Trustee will promptly mail notice of such rescission to the same parties that were mailed the original notice of redemption.

Section 2.06 Selection of Bonds for Redemption. For purposes of selecting Bonds for redemption, the Bonds will be composed of \$5,000 portions, and any such portions may be separately redeemed. Whenever less than all the Outstanding Bonds of any Series maturing on any one date are called for redemption at any one time, the Trustee shall select the Bonds to be redeemed *pro rata* unless directed otherwise by the City Treasurer who may select the maturity date or dates of the Bonds to be redeemed. If less than all the Bonds of any Series maturing on any one date are to be redeemed at any one time, the Trustee will select the Bonds or portions thereof of such Series maturing on such date not previously selected for redemption to be redeemed in integral multiples of \$5,000 in any manner that it deems appropriate. The City Treasurer will notify the Trustee in writing at least five Business Days before the date fixed for the selection by the Trustee of any Bonds for redemption, and after the selection the Trustee will promptly notify the Successor Agency in writing of the numbers of the Bonds selected for redemption in part.

Section 2.07 Payment of Redeemed Bonds. If notice of redemption has been given or waived as provided in Section 2.05, the Bonds or portions thereof called for redemption will be due and payable on the date fixed for redemption at the redemption price thereof, together with accrued interest to the date fixed for redemption, upon presentation and surrender of the Bonds to be redeemed at the office specified in the notice of redemption. If less than the full principal amount of a Bond is called for redemption, the Successor Agency will execute and deliver and the Trustee will authenticate, upon surrender of the Bond, and without charge to the Owner thereof, a Bond of like interest rate and maturity and Series in an aggregate principal amount equal to the unredeemed portion of the principal amount of the Bonds so surrendered in such authorized denominations as are specified by the Owner.

If any Bond or any portion thereof has been duly called for redemption and payment of the redemption price, together with unpaid interest accrued to the date fixed for redemption, has been made or provided for by the Successor Agency, then interest on the Bond or portion will cease to accrue from that date, and from and after that date the Bond or portion will no longer be entitled to any lien, benefit, or security under this Indenture, and the Owner thereof will have no rights in respect of the Bond or portion except to receive payment of the redemption price and unpaid interest accrued to the date fixed for redemption.

Section 2.08 Special Covenants as to Book-Entry Only System for Bonds.

(a) Except as otherwise provided in Section 2.08(b) and Section 2.08(c) or as set forth in a Supplemental Indenture relating to a Series of Additional Bonds, all of the Bonds initially issued will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), or such other nominee as DTC may request pursuant to the Representation Letter. Payment of the interest on any Bond registered in the name of Cede & Co. will be made on each interest payment date for such Bonds to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.

(b) The Bonds initially will be issued in the form of a single authenticated fully registered bond for each stated maturity and Series of the Bonds, representing the aggregate principal amount of the Bonds of the maturity and Series. Upon initial issuance, the ownership of all such Bonds will be registered in the registration records maintained by the Trustee pursuant to Section 2.15 in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC may request pursuant to the Representation Letter. The Trustee and the Successor Agency may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of and interest on such Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners hereunder, registering the transfer of Bonds, obtaining any consent or other action to be taken by Owners and for all other purposes whatsoever; and neither the Trustee nor the Successor Agency will be affected by any notice to the contrary. Neither the Trustee nor the Successor Agency will have any responsibility or obligation to any Participant (which means, for purposes of this Section 2.08, securities brokers and dealers, banks, trust companies, clearing corporations, and other entities, some of whom directly or indirectly own DTC), any Person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other Person not shown on the registration records as being an Owner, with respect to (1) the accuracy of any records maintained by DTC or any Participant, (2) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Bonds, (3) any notice that is permitted or required to be given to Holders of Bonds hereunder, (4) the selection by DTC or any Participant of any Person to receive payment in the event of a partial redemption of the Bonds, or (5) any consent given or other action taken by DTC as Holder of Bonds. The Trustee will pay all principal of and premium, if any, and interest on the Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all payments will be valid and effective to satisfy fully and discharge the Successor Agency's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Bonds will be transferable to such new nominee in accordance with Section 2.08(f).

(c) If the Successor Agency determines that it is in the best interests of the beneficial Owners that they be able to obtain bond certificates, the Trustee will, upon the written instruction of the Successor Agency, so notify DTC, whereupon DTC will notify the Participants of the availability through DTC of bond certificates. In such event, the Bonds will be transferable in accordance with Section 2.08(f). DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice of such discontinuance to the Successor Agency or the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Bonds will be transferable in accordance with Section 2.08(f). Whenever DTC requests the Successor Agency and the Trustee to do so, the Trustee and the Successor Agency will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Bonds then Outstanding. In such event, the Bonds will be transferable to the securities depository in accordance with Section 2.08(f), and thereafter all references in this Indenture to DTC or its nominee will be deemed to refer to the successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as all Outstanding Bonds are registered in the name of any nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on each such Bond and all notices with respect to each such Bond will be made and given, respectively, to DTC as provided in the Representation Letter.

(e) The Trustee is hereby authorized and requested to execute and deliver the Representation Letter and, in connection with any successor nominee for DTC or any successor depository, to enter into

comparable arrangements, and the Trustee have the same rights with respect to its actions thereunder as it has with respect to its actions under this Indenture.

(f) If any transfer or exchange of Bonds is authorized under Section 2.08(b) or 2.08(c), the transfer or exchange will be accomplished upon receipt by the Trustee from the Owner thereof of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.10 and 2.11. If bond certificates are issued to Holders other than Cede & Co., its successor as nominee for DTC as holder of all the Bonds, another securities depository as holder of all the Bonds, or the nominee of such successor securities depository, the provisions of Sections 2.10, 2.11, and 2.15 will also apply to, among other things, the registration, exchange, and transfer of the Bonds and the method of payment of principal of, premium, if any, and interest on the Bonds.

Section 2.09 Execution of Bonds. The Chairperson of the Successor Agency, or the City Treasurer or the Treasury Manager (Debt) on behalf of the Successor Agency, will execute each of the Bonds on behalf of the Successor Agency, and the Sacramento City Clerk acting on behalf of the Successor Agency (the “**Redevelopment Agency Successor Agency Clerk**”) will attest each of the Bonds on behalf of the Successor Agency. Any of the signatures of Chairperson of the Successor Agency, or the City Treasurer or the Treasury Manager (Debt) on behalf of the Successor Agency, and the Redevelopment Agency Successor Agency Clerk may be by printed, lithographed, or engraved facsimile reproduction. If any officer whose signature appears on the Bonds ceases to be such officer before the delivery of the Bonds to the purchaser thereof, that officer’s signature will nevertheless be valid and sufficient for all purposes the same as though the officer had remained in office until delivery of the Bonds. Any Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual date of the execution of the Bond are the proper officers of the Successor Agency although at the nominal date of the Bond any such person may not be an officer of the Successor Agency.

Except as may be provided in a Supplemental Indenture, only the Bonds that bear a certificate of authentication and registration in the form hereinbefore recited, executed, and dated by the Trustee, upon the Written Request of the Successor Agency, will be entitled to any benefits under this Indenture or be valid or obligatory for any purpose, and the certificate of the Trustee will be conclusive evidence that the Bonds so registered have been duly issued and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.10 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Bond Register, by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond at the Corporate Trust Office for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Trustee.

Whenever any Bond or Bonds is surrendered for transfer, the Successor Agency will execute and the Trustee will authenticate and deliver a new Bond or Bonds for a like aggregate principal amount of the same Series, interest rate, and maturity date. The Trustee will require the payment by the Owner requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

The Trustee is not required to register the transfer of any Bonds during the 15 days before the date of selection of the Bonds for redemption, or of any Bonds selected for redemption.

Section 2.11 Exchange of Bonds. The Bonds may be exchanged at the Corporate Trust Office for a like aggregate principal amount of Bonds of the same Series, interest rate, and maturity date in other

authorized denominations. The Trustee will require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to the exchange.

The Trustee is not required to exchange any Bonds during the 15 days before the date of selection of the Bonds for redemption, or of any Bonds selected for redemption.

Section 2.12 Temporary Bonds. The Bonds issued under this Indenture may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed, or typewritten; will be of such denominations as may be determined by the Successor Agency; will be in fully registered form; and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond will be executed and authenticated as authorized by the Successor Agency in accordance with the terms of the Law. If the Successor Agency issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Corporate Trust Office of the Trustee, and the Trustee will deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of the same Series of authorized denominations. Until so exchanged, the temporary Bonds will be entitled to the same benefits under this Indenture as definitive Bonds delivered hereunder.

Section 2.13 Mutilated, Destroyed, Stolen or Lost Bonds. If any Bond becomes mutilated, or is believed by the Successor Agency or the Trustee to have been destroyed, stolen, or lost, then, upon proof of ownership satisfactory to the Trustee, and upon the surrender of the mutilated Bond at the Corporate Trust Office or upon the receipt of evidence satisfactory to the Trustee that the Bond has been destroyed, stolen, or lost, and upon receipt also of indemnity satisfactory to the Successor Agency and the Trustee, and upon payment by the Owner of all expenses incurred by the Successor Agency and the Trustee, the Successor Agency will execute and the Trustee will authenticate and deliver at the Corporate Trust Office a new Bond or Bonds of the same maturity and Series and for the same aggregate principal amount, of like tenor and date, bearing the same number or numbers, with such notations as the Trustee determines, in exchange and substitution for and upon cancellation of the mutilated Bond, or in lieu of and in substitution for the Bond so destroyed, stolen, or lost.

If any destroyed, stolen, or lost Bond has matured or has been called for redemption, payment of the amount due thereon may be made by the Successor Agency or the Trustee upon receipt of like proof, indemnity, and payment of expenses.

Any replacement Bonds issued pursuant to this section will be entitled to equal and proportionate benefits with all other Bonds issued hereunder. The Successor Agency and the Trustee are not required to treat both the original Bond and any duplicate Bond as being Outstanding for the purpose of determining the principal amount of Bonds that may be issued hereunder or for the purpose of determining any percentage of Outstanding Bonds, but both the original and replacement Bond will be treated as one and the same.

Section 2.14 Validity of Bonds. The validity of the authorization and issuance of the Bonds will not be affected in any way by any proceedings taken by the Successor Agency for the financing or refinancing of any redevelopment project financed with proceeds of the Refunded Obligations, or by any contracts made by the Successor Agency in connection therewith, and will not be dependent upon the completion of the financing the redevelopment project or upon the performance by any Person of its obligation with respect to such redevelopment project, and the recital in the Bonds that the same are issued pursuant to the Law will be conclusive evidence of their validity and of the regularity of their issuance.

Section 2.15 Bond Register. (a) The Trustee will keep or cause to be kept sufficient books for the registration and transfer of the Bonds, which will at all times, upon reasonable notice, be open to inspection by any Owner or the Owner's agent duly authorized in writing or the Successor Agency; and, upon presentation for such purpose, the Trustee will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, Bonds as hereinbefore provided.

(b) The Person in whose name any Bond is registered will be deemed the owner thereof for all purposes thereof, and payment of or on account of the principal of, and the interest on or redemption price of by such a Bond will be made only to or upon the order in writing of the Owner, which payment will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

ARTICLE III

APPLICATION OF PROCEEDS OF SERIES 2015 BONDS

Section 3.01 Application of Proceeds of Sale of Series 2015 Bonds -- Allocation Among Funds and Accounts.

(a) Upon receipt of payment for the Series 2015A Bonds, the Trustee will set aside and deposit the net proceeds received from the sale and delivery (less Underwriter's discount and amounts wired by the Underwriter, on behalf of the Successor Agency, directly to the 2015 Bond Insurer to pay premiums for the 2015 Bond Insurance Policy and the 2015 Reserve Policy) in the following funds and accounts:

(1) [The Trustee will deposit to the credit of the Reserve Account established pursuant to Section 5.03(d) the 2015 Reserve Policy, which is equal to the initial Reserve Account Requirement for the Series 2015 Bonds].

(2) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the 1999 Oak Park Loan Agreement.

(3) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the 2002 Merged Downtown Loan Agreement.

(4) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the 2002 Stockton Advance Agreement.

(5) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the [callable portion of the] 2003 Del Paso Loan Agreement.

(6) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the 2003 Alkali Flat Loan Agreement.

(7) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the 2003 North Sacramento Loan Agreement.

(8) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the 2005 Del Paso Advance Agreement.

(9) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the 2005 Merged Downtown Advance Agreement.

(10) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the 2005 North Sacramento Advance Agreement.

(11) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the 2005 Oak Park Advance Agreement.

(12) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the 2005 Richards Boulevard Advance Agreement.

(13) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the 2005 Del Paso Loan Agreement.

(14) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the 2005 North Sacramento I-Bank Loan Agreement.

(15) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the [callable portion of the] 2005 Merged Downtown Loan Agreement.

(16) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the [callable portion of the] 2005 Oak Park Loan Agreement.

(17) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the 2006 Stockton Boulevard I-Bank Loan Agreement.

(18) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the [callable portion of the] 2006 Del Paso Loan Agreement.

(19) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the 2006 Oak Park Loan Agreement.

(20) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the [callable portion of the] 2006 65th Street Advance Agreement.

(21) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the [callable portion of the] 2006 Army Depot Advance Agreement.

(22) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the [callable portion of the] 2006 North Sacramento Advance Agreement.

(23) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the [callable portion of the] 2006 Richards Boulevard Advance Agreement.

(24) The Trustee will transfer to the Costs of Issuance Fund the sum of \$_____ for the payment of Costs of Issuance of the Series 2015A Bonds.

(b) Upon receipt of payment for the Series 2015B Bonds, the Trustee will set aside and deposit the net proceeds received from such sale and delivery (less Underwriter's discount and amounts wired by the Underwriter, on behalf of the Successor Agency, directly to the 2015 Bond Insurer to pay premiums for the 2015 Bond Insurance Policy and the 2015 Reserve Policy) in the following funds and accounts:

(1) [The Trustee will deposit to the credit of the Reserve Account established pursuant to Section 5.03(d) the 2015 Reserve Policy, which is equal to the initial Reserve Account Requirement for the Series 2015 Bonds].

(2) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the [the 1993 Merged Downtown Loan Agreement].

(3) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the [callable portion of the] 2005 Merged Downtown Loan Agreement.

(4) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the [callable portion of the] 2005 Oak Park Loan Agreement.

(5) The Trustee will transfer \$_____ to the Redemption Account established under the related Indenture as directed in the Escrow Instructions delivered at closing to prepay the [callable portion of the] 2006 Del Paso Loan Agreement.

(6) The Trustee will transfer to the Costs of Issuance Fund the sum of \$_____ for the payment of Costs of Issuance of the Series 2015B Bonds.

(c) The Trustee may establish and use temporary funds or accounts in its records to facilitate and record the deposits and transfers described in this Section 3.02.

ARTICLE IV

ISSUANCE OF ADDITIONAL BONDS

Section 4.01 Conditions for the Issuance of Additional Bonds. The Successor Agency may at any time after the issuance and delivery of the Series 2015 Bonds hereunder issue Additional Bonds hereunder payable from the Tax Revenues and secured by a lien and charge upon the Tax Revenues equal to and on a parity with the lien and charge securing the Outstanding Bonds theretofore issued under this Indenture, for the purpose of refunding bonds or other indebtedness of the Successor Agency or the Former RDA (including, without limitation, refunding Bonds outstanding under this Indenture) in accordance with the Law, including payment of all costs incidental to or connected with such refunding and funding or providing for the funding of related reserves, but only subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

(a) A Written Request of the Successor Agency must have been filed with the Trustee containing a statement to the effect that the Successor Agency is in compliance with all covenants set forth in this Indenture and any Supplemental Indentures and that no Event of Default has occurred and is continuing.

(b) The issuance of the Additional Bonds must have been duly authorized pursuant to the Law and all applicable laws, and the issuance of such Additional Bonds must have been provided for by a Supplemental Indenture, which must specify all of the following:

(1) The authorized principal amount of the Additional Bonds.

(2) The Series, date, and the maturity date or dates of the Additional Bonds, provided that (A) Principal Payment Dates and Sinking Account Payment Dates may occur only on Interest Payment Dates, (B) [all such Additional Bonds of like maturity and Series must be identical in all respects, except as to number], and (C) fixed serial maturities or mandatory Sinking Account Installments, or any combination thereof, must be established to provide for the retirement of all the Additional Bonds on or before their maturity dates.

(3) The Interest Payment Dates for the Additional Bonds, provided that Interest Payment Dates must be on the same semiannual dates as the Interest Payment Dates for Series 2015 Bonds.

(4) The denomination and method of numbering of the Additional Bonds.

(5) The redemption premiums, if any, and the redemption terms, if any, for the Additional Bonds.

(6) The amount and due date of each mandatory Sinking Account Installment, if any, for the Additional Bonds.

(7) The amount, if any, to be deposited from the proceeds of the Additional Bonds in the Reserve Account, provided (A) that the amount deposited in or credited to the Reserve Account must be increased at or before the time the Additional Bonds become Outstanding to an amount at least equal to the Reserve Account Requirement on all then-Outstanding Bonds and Additional Bonds; and (B) that an amount at least equal to the Reserve Account Requirement on all Outstanding Bonds must thereafter be maintained in or credited to such Reserve Account.

(8) The form of the Additional Bonds.

(9) Such other provisions as are necessary or appropriate and not inconsistent with this Indenture.

(c) [Additional Bonds may be issued only for the purpose of refunding bonds or other indebtedness of the Successor Agency or the Former RDA (including, without limitation, refunding Existing Obligations and any Bonds outstanding under this Indenture) in accordance with the Law, including payment of all costs incidental to or connected with the refunding and funding or providing for the funding of related reserves, and the payment of all costs incidental to or connected with the refunding, provided that the issuance of the Additional Bonds must yield savings and must comply with the terms of California Health and Safety Code Section 34177.5.]

[The Successor Agency will refund outstanding Existing Obligations on a basis senior to or on a parity with the Bonds only to the extent the refunding would be permitted by Section 34177.5(a)(1) of the Dissolution Law. Nothing in this Indenture limits the issuance of any tax-increment bonds or other obligations of the Successor Agency that are secured by a lien and charge on Tax Revenues junior to that of the Bonds.]

Nothing in this Indenture limits the issuance of any tax-increment bonds or other obligations of the Successor Agency secured by a lien and charge on Tax Revenues junior to that of the Bonds. [Any Subordinate Debt that is issued as bonds or incurred in the form of a loan will be payable on the same dates as the 2015 Bonds.]

Section 4.02 Procedure for the Issuance of Additional Bonds. Upon the receipt by the Trustee of each of the following, the Trustee will authenticate Additional Bonds duly executed by the Successor Agency:

(a) A Supplemental Indenture authorizing the issuance of the Additional Bonds and containing the requirements described in Section 4.01(b);

(b) A Written Request of the Successor Agency as to the authentication and delivery of the Additional Bonds;

(c) An opinion of Bond Counsel to the effect that (1) this Indenture and all Supplemental Indentures thereto have been duly executed and delivered by, and constitute the valid and binding obligation of, the Successor Agency (except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws relating to the enforcement of creditors' rights; by application of equitable principles; or by exercise of judicial discretion in appropriate cases); (2) this Indenture creates the valid pledge it purports to create of the Tax Revenues as provided in this Indenture, subject to the application thereof to the purposes and on the conditions permitted by this Indenture; and (3) the Additional Bonds are valid and binding special obligations of the Successor Agency (except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws relating to the enforcement of creditors' rights; by application of equitable principles; and by exercise of judicial discretion in appropriate cases);

(d) A Written Request of the Successor Agency containing any statements that are reasonably necessary to show compliance with the requirements of this Indenture; and

(e) All other documents, money, and securities that are required by the provisions of this Indenture and the Supplemental Indenture providing for the issuance of the Additional Bonds.

ARTICLE V

TAX REVENUES; CREATION OF FUNDS

Section 5.01 Pledge of Tax Revenues; Tax Increment Fund. The Trustee will establish and maintain a fund separate from any other fund established and maintained hereunder designated as the “Redevelopment Agency Successor Agency, Tax Increment Fund” (the “**Tax Increment Fund**”). Pursuant to the Pledge Statute and subject to the provisions of this Indenture permitting application thereof for the purposes and on the terms and conditions set forth in this Indenture, to secure the payment of all the Outstanding Bonds and the interest payments becoming due, and to secure the performance and observance of all of the covenants, agreements, and conditions contained in the Outstanding Bonds and this Indenture, the Successor Agency hereby irrevocably grants a lien on and a security interest in, and hereby irrevocably pledges, the Tax Revenues and all money in the Tax Increment Fund and in the funds or accounts so specified and provided for in this Indenture, whether held by the Successor Agency or the Trustee, to the Trustee for the benefit of the Owners of the Outstanding Bonds, but excluding all moneys in the Rebate Fund established pursuant to any Tax Certificate (including within such exclusion investment income retained in the Rebate Fund) and the Costs of Issuance Fund. This lien on, security interest in, and pledge of the Tax Revenues and the money in the Tax Increment Fund and in the funds or accounts so specified and provided for in this Indenture will constitute a first pledge of, and charge and lien upon, the Tax Revenues and the money in the Tax Increment Fund and in the funds or accounts so specified and provided for in this Indenture, and will immediately attach and be effective, binding, and enforceable against the Successor Agency, its successors, creditors, and all others asserting rights therein to the extent set forth in, and in accordance with, this Indenture, irrespective of whether those parties have notice of the lien on, security interest in, and pledge of the Tax Revenues and the money in the Tax Increment Fund and in the funds or accounts so specified and provided for in this Indenture, and without the need for any physical delivery, recordation, filing, or further act.

The ROPS for the ROPS Period commencing January 1 of each year must include, in addition to the other amounts required to be included thereon pursuant to the Law, Tax Revenues in an amount equal 100% of the deposits required pursuant to Sections 5.01 and 5.02 of this Indenture and must include any amounts required to pay Annual Debt Service due on the Outstanding Bonds (as shown on Appendix B - Schedule of Semi-Annual and Annual Interest and Principal Payments of the Outstanding Bonds) [and parity debt], plus the amount of any deficiency in the Reserve Account, less the amounts, if any, on deposit in the Tax Increment Fund as of the date of submission for the ROPS pursuant to this section that are in excess of the amounts required to be applied to payment of principal of or interest or sinking account payments on the Outstanding Bonds [and any parity debt] in the then-current calendar year. The amount due to the Trustee from the County Auditor-Controller for deposit in the Tax Increment Fund on [the next subsequent ROPS Period][June 1] of the then-current calendar year from amounts required to be deposited into the Tax Increment Fund will equal the deposits required pursuant to Sections 5.01 and 5.02 of this Indenture and will include any amounts required to pay principal and interest payments due on the Outstanding Bonds [and parity debt], plus the amount of any deficiency in the Reserve Account, less the amounts, if any, on deposit in the Tax Increment Fund as of the date of submission for the ROPS pursuant to this section that are in excess of the amounts required to be applied to payment of principal of or interest or sinking account payments on the Outstanding Bonds [and any parity debt] in the then-current calendar year.

Tax Revenues received by the Successor Agency during a ROPS Period in excess of the amount required, as provided in this section, to be deposited in the Tax Increment Fund, will, immediately following the deposit with the Trustee of the amounts required to be so deposited as provided in this section on each such date, be released from the pledge, security interest, and lien hereunder for the security of the Outstanding Bonds, and may be applied by the Successor Agency for any lawful purpose

of the Successor Agency, including but not limited to the payment of subordinate debt, or the payment of any amounts due and owing to the United States of America pursuant to Section 6.11. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Outstanding Bonds [and any parity debt] and the payment in full of all other amounts payable hereunder and under any Supplemental Indentures, the Successor Agency will not have any beneficial right or interest in the moneys on deposit in the Tax Increment Fund, except as may be provided in this Indenture and in any Supplemental Indenture.

Expected Compliance Costs, if any, will be included in each ROPS in accordance with the Dissolution Law.

[Except as provided above and in the Existing Obligations, there is no other lien on Tax Revenues, tax-increment revenues, or property-tax revenues payable on parity with or senior to the Bonds.]

Section 5.02 Receipt and Deposit of Tax Revenues. The Successor Agency covenants and agrees that all Tax Revenues, when and as received in accordance with Section 5.01, will be received by the Successor Agency in trust hereunder and will be deemed to be held by the Successor Agency as agent for the Trustee. Promptly after receiving the Tax Revenues (but not later than 45 days following receipt), the Successor Agency will cause the Tax Revenues to be deposited with the Trustee in the Tax Increment Fund, except that the Successor Agency is not obligated to deposit in the Tax Increment Fund in any calendar year an amount that exceeds the amounts required to be transferred to the Trustee for deposit in the Tax Increment Fund pursuant to Section 5.01. The Tax Revenues so deposited will be accounted for through and held in trust in the Tax Increment Fund, and the Successor Agency will have no beneficial right or interest in any of the Tax Revenues so deposited, except only as in this Indenture provided. All such Tax Revenues, whether received by the Successor Agency in trust or deposited with the Trustee, all as herein provided, will nevertheless be disbursed, allocated, and applied solely to the uses and purposes set forth herein, and will be accounted for separately and apart from all other money, funds, accounts, or other resources of the Successor Agency.

Section 5.03 Establishment and Maintenance of Accounts for Use of Moneys in the Tax Increment Fund. All Tax Revenues in the Tax Increment Fund will be set aside by the Trustee when and as received in the following special accounts within the Tax Increment Fund (each of which is hereby created and each of which the Successor Agency hereby covenants and agrees to cause to be maintained with the Trustee so long as the Bonds are Outstanding hereunder), in the following order of priority (except as otherwise provided in Section 5.03(b) below):

- (1) Interest Account;
- (2) Principal Account;
- (3) Term Bonds Sinking Account; and
- (4) Reserve Account.

All moneys in these accounts will be held in trust by the Trustee and will be applied, used, and withdrawn only for the purposes hereinafter authorized in this Section 5.03.

(a) **Interest Account.** The Trustee will set aside from the Tax Increment Fund and deposit in the Interest Account an amount of money that, together with any money contained therein, is equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds on the Interest

Payment Dates in the Bond Year. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds on the Interest Payment Dates in the Bond Year. All moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it becomes due and payable (including accrued interest on any Bonds purchased or redeemed before maturity).

(b) Principal Account. The Trustee will set aside from the Tax Increment Fund and deposit in the Principal Account an amount of money that, together with any money contained therein, is equal to the aggregate amount of principal becoming due and payable on all Outstanding Serial Bonds on the Principal Payment Date in the Bond Year. No deposit need be made into the Principal Account if the amount contained therein is at least equal to the aggregate amount of principal of all Outstanding Serial Bonds becoming due and payable on the Principal Payment Date in the Bond Year. All money in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying principal of the Serial Bonds as they become due and payable.

If the money in the Tax Increment Fund is insufficient to pay in full all principal and Sinking Account Installments due pursuant to Section 5.03(c) in the Bond Year, then the money available in the Tax Increment Fund will be applied *pro rata* to the payment of the principal and Sinking Account Installments in the proportion which all the principal and Sinking Account Installments bear to each other.

(c) Term Bonds Sinking Account. The Trustee will set aside from the Tax Increment Fund and deposit in the Sinking Fund an amount of money that, together with any money contained therein, is equal to the aggregate amount of Sinking Fund Installments becoming due and payable with respect to all Outstanding Bonds which are Term Bonds [in the Bond Year]. All moneys in the Term Bonds Sinking Account will be used by the Trustee to redeem the Outstanding Bonds in accordance with this Indenture. If Term Bonds that are purchased or redeemed at the option of the Successor Agency are deposited with the Trustee for the credit of the Term Bonds Sinking Account not less than 45 days before each due date for any Sinking Fund Installment for the Term Bonds, the deposit will satisfy (to the extent of 100% of the principal amount of the Term Bonds) any obligation of the Successor Agency to make a payment with respect to such Sinking Fund Installments. Any Term Bond so deposited with the Trustee will be cancelled and will no longer be deemed to be Outstanding for any purpose. Upon making the deposit with the Trustee of Term Bonds as provided in this paragraph, the Successor Agency may specify the dates and amounts of Sinking Fund Installments for the Term Bonds as to which the Successor Agency's obligations to make a payment with respect to Sinking Fund Installments for the Term Bonds will be satisfied.

(d) Reserve Account. The Trustee will set aside from the Tax Increment Fund and deposit in the Reserve Account any amounts necessary to maintain on deposit therein an amount equal to the Reserve Account Requirement. No deposit need be made into the Reserve Account so long as there is on deposit therein an amount equal to the Reserve Account Requirement. All money in or credited to the Reserve Account will be used and withdrawn by the Trustee solely for the purposes of (1) replenishing the Interest Account, the Principal Account, and the Term Bonds Sinking Account, in that order, in the event of any deficiency in any of the accounts occurring on any Interest Payment Date, Principal Payment Date, or Sinking Account Payment Date; (2) paying the interest on or the principal of the Bonds if no other money of the Successor Agency is lawfully available therefor; and (3) retiring all Bonds then Outstanding, except that for so long as the Successor Agency is not in default hereunder, any amount in the Reserve Account in excess of the Reserve Account Requirement will be transferred to the Tax Increment Fund.

On any date on which Bonds are defeased in accordance with Section 11.02, the Trustee will, if so directed in a Written Request of the Successor Agency, transfer any moneys in the Reserve Account in excess of the Reserve Account Requirement resulting from such defeasance to the entity or fund so specified in the Written Request of the Successor Agency, to be applied to such defeasance.

If at any time the Trustee fails to pay principal or interest due on any scheduled payment date for the Bonds or withdraws funds from the Reserve Account to pay principal and interest on the Bonds, the Trustee will notify the Successor Agency in writing of the failure or withdrawal.

The Successor Agency may, with the prior written consent of the Bond Insurer, deposit any Qualified Reserve Account Credit Instrument to the Reserve Account established for the Bonds in lieu of a cash deposit into the Reserve Account.

[The Trustee will ascertain the necessity for a claim upon the 2015 Reserve Policy in accordance with the provisions of Section 12.15(a) and to provide notice to the 2015 Bond Insurer in accordance with the terms of the 2015 Reserve Policy at least five Business Days before each date upon which interest or principal is due on the Bonds.]

Where deposits are required to be made by the Successor Agency with the Trustee to the accounts of the Tax Increment Fund more often than semi-annually, the Trustee will be instructed to give notice to Bond Insurer of any failure of the Successor Agency to make timely payment in full of the deposits within two Business Days of the date due.

Section 5.04 Investment of Moneys in Funds and Accounts. Moneys in the Tax Increment Fund and the Interest Account, the Principal Account, and the Term Bonds Sinking Account thereunder, upon the Written Request of the Successor Agency, will be invested by the Trustee in Permitted Investments. If instructions are not provided, the Trustee will invest the moneys in Permitted Investments described in clause (b)(3) of the definition thereof in Section 1.01. Moneys in the Interest Account representing accrued interest paid to the Successor Agency upon the initial sale and delivery of any Bonds and in the Reserve Account, upon the Written Request of the Successor Agency, will be invested by the Trustee in Permitted Investments. [Permitted Investments purchased with amounts on deposit in the Reserve Account must have an average aggregate weighted term to maturity of not greater than five years; provided, however, that if the investments may be redeemed at par so as to be available on each Interest Payment Date, any amount in the Reserve Account may be invested in such redeemable Permitted Investments maturing on any date on or before the final maturity date of the Bonds.] The obligations in which moneys in the Tax Increment Fund and the Interest Account, the Principal Account, and the Term Bonds Sinking Account thereunder are so invested must mature before the date on which the moneys are estimated to be required to be paid out hereunder. Any interest, income, or profits from the deposits or investments of all other funds and accounts held by the Trustee (other than the Rebate Fund) will be deposited in the Tax Increment Fund. For purposes of determining the amount on deposit in any fund or account held by the Trustee hereunder, all Permitted Investments credited to the fund or account will be valued at the [market value thereof as determined/reported by the Trustee] (excluding accrued interest and brokerage commissions, if any), except that Permitted Investments credited to the Reserve Account will be valued at market value (exclusive of accrued interest and brokerage commissions, if any), and any deficiency in the Reserve Account resulting from a decline in market value will be restored to the Reserve Account Requirement no later than the next Bond Year. Amounts in the funds and accounts held by the Trustee under this Indenture will be valued at least annually on the first day of [December].

The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency will not receive such

confirmations to the extent permitted by law. The Trustee will furnish the Successor Agency periodic cash-transaction statements that include detail for all investment transactions made by the Trustee hereunder.

Section 5.05 2015 Reserve Policy Payment and Reimbursement Provisions. Notwithstanding anything to the contrary contained herein, the following provisions are applicable to the 2015 Reserve Policy.

[INCLUDED AS EXAMPLE OF TERMS; SUBJECT TO ACTUAL INSURER TERMS IF A POLICY IS PURCHASED]:

(a) The Successor Agency will repay any draws under the 2015 Reserve Policy and pay all related reasonable expenses incurred by the [Surety Provider] and will pay interest thereon from the date of payment by the [Surety Provider] at the Late Payment Rate. **“Late Payment Rate”** means the lesser of (1) the greater of (A) 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 (the **“Prime Rate”**) (any change in the Prime Rate to be effective on the date the change is announced by JPMorgan Chase Bank) plus 3.00%, and (B) the then-applicable highest rate of interest on the Series 2015 Bonds and (2) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate will be computed on the basis of the actual number of days elapsed over a year of 360 days. If JPMorgan Chase Bank ceases to announce its Prime Rate publicly, the Prime Rate will be the publicly announced prime or base lending rate of any national bank the [Surety Provider] specifies. If the interest provisions of this subparagraph (a) will result in an effective rate of interest that, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question will, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus the additional interest would not exceed the limit of the usury or such other laws, and any excess will be applied upon principal immediately upon receipt of such moneys by the [Surety Provider], with the same force and effect as if the Successor Agency had specifically designated the extra sums to be so applied and the [Surety Provider] had agreed to accept such extra payment(s) as additional interest for the later periods. In no event will any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

(b) Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, **“Policy Costs”**) will commence in the first month following each draw, and each monthly payment will be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to the draw.

(c) Amounts in respect of Policy Costs paid to the [Surety Provider] will be credited first to interest due, then to the expenses due, and then to principal due. As and to the extent that payments are made to the [Surety Provider] on account of principal due, the coverage under the 2015 Reserve Policy will be increased by a like amount, subject to the terms of the 2015 Reserve Policy. The obligation to pay Policy Costs will be secured by a valid lien on all revenues and other collateral pledged as security for the Bonds (subject only to the priority of payment provisions set forth under this Indenture).

(d) All cash and investments in the Reserve Account will be transferred to the accounts of the Tax Increment Fund for payment of debt service on the Series 2015 Bonds before any drawing may be made on the 2015 Reserve Policy or any other Reserve Policy credited to the Reserve Account in lieu of cash. Payment of any Policy Costs will be made before replenishment of any such cash amounts. Draws

on the 2015 Reserve Policy and any other Qualified Reserve Account Credit Instruments, if any, on which there is available coverage will 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 Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Qualified Reserve Account Credit Instruments, if any, will be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Account. “**Available coverage**” means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of the instrument to honor a claim or draw thereon or the failure of the provider to honor any such a claim or draw.

(e) Upon a failure to pay Policy Costs when due or any other breach of the terms of this Section 5.05, the [Surety Provider] will be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Indenture, other than (1) acceleration of the maturity of the Series 2015 Bonds or (2) remedies which would adversely affect owners of the Series 2015 Bonds

(f) This Indenture will not be discharged until all Policy Costs owing to the [Surety Provider] have been paid in full. The Successor Agency’s obligation to pay such amounts will expressly survive payment in full of the Bonds.

(g) The Successor Agency will include any Policy Costs then due and owing the [Surety Provider] in the calculation of the additional bonds test.

(h) The Successor Agency will pay or reimburse the [Surety Provider] any and all charges, fees, costs, losses, liabilities, and expenses which the [Surety Provider] may pay or incur, including but not limited to fees and expenses of attorneys, accountants, consultants, and auditors and reasonable costs of investigations, in connection with (1) any accounts established to facilitate payments under the 2015 Reserve Policy; (2) the administration, enforcement, defense, or preservation of any rights in respect of this Indenture or any document executed in connection with the Series 2015 Bonds (the “**Related Documents**”), including defending, monitoring, or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Successor Agency) relating to this Indenture or any other Related Document, any party to this Indenture, or any other Related Document or the transactions contemplated by the Related Documents; (3) the foreclosure against, sale, or other disposition of any collateral securing any obligations under this Indenture or any other Related Document, if any, or the pursuit of any remedies under this Indenture or any other Related Document, to the extent the costs and expenses are not recovered from the foreclosure, sale, or other disposition; (4) any amendment, waiver, or other action with respect to, or related to, this Indenture, the 2015 Reserve Policy, or any other Related Document whether or not executed or completed; or (5) any action taken by the [Surety Provider] to cure a default or termination or similar event (or to mitigate the effect thereof) under this Indenture or any other Related Document. For purposes of this Section 5.05(h), costs and expenses include a reasonable allocation of compensation and overhead attributable to time of employees of the [Surety Provider] spent in connection with the actions described in Sections 5.05(h)(2) through 5.05(h)(5). The [Surety Provider] reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver, or consent proposed in respect of this Indenture or any other Related Document. Amounts payable by the Successor Agency hereunder will bear interest at the Late Payment Rate from the date the amount is paid or incurred by the [Surety Provider] until the date the [Surety Provider] is paid in full.

(i) The obligation of the Successor Agency pay all amounts due to the [Surety Provider] is an absolute and unconditional obligation of the Successor Agency and will be paid or performed strictly in accordance with the provisions of this Section 5.05, irrespective of (1) any lack of validity or enforceability of or any amendment or other modifications of, or waiver with respect to, the Bonds, this Indenture, or any other Related Document; or (2) any amendment or other modification of, or waiver with

respect to, the 2015 Reserve Policy; (3) any exchange, release, or non-perfection of any security interest in property securing the Series 2015 Bonds, this Indenture, or any other Related Documents; (4) whether or not the Series 2015 Bonds are contingent or matured, disputed or undisputed, or liquidated or unliquidated; (5) any amendment, modification, or waiver of, or any consent to departure from, the 2015 Reserve Policy, this Indenture, or all or any of the other Related Documents; (6) the existence of any claim, setoff, defense (other than the defense of payment in full), reduction, abatement, or other right the Successor Agency may have at any time against the Trustee or any other Person or entity other than the [Surety Provider], whether in connection with the transactions contemplated herein or in any other Related Documents or in any unrelated transactions; (7) any statement or any other document presented under, or in connection with, the 2015 Reserve Policy proving in any and all respects invalid, inaccurate, insufficient, fraudulent, or forged or any statement therein being untrue or inaccurate in any respect; or (8) any payment by the [Surety Provider] under the 2015 Reserve Policy against presentation of a certificate or other document that does not strictly comply with the terms of the 2015 Reserve Policy.

(j) The Successor Agency will fully observe, perform, and fulfill each of the provisions (as each of those provisions may be amended, supplemented, modified, or waived with the prior written consent of the [Surety Provider], which consent will not be unreasonably withheld) of this Indenture applicable to it, each of the provisions thereof being expressly incorporated into this Section 5.05 by reference solely for the benefit of the [Surety Provider] as if set forth directly herein. No provision of this Indenture or any other Related Document may be amended, supplemented, modified, or waived, without the prior written consent of the [Surety Provider], in any material respect or otherwise, in a manner that could adversely affect the payment obligations of the Successor Agency hereunder or the priority accorded to the reimbursement of Policy Costs under this Indenture.

(k) The Successor Agency covenants to provide to the [Surety Provider], promptly upon request, any information regarding the Bonds or the financial condition and operations of the Successor Agency as reasonably requested by the [Surety Provider]. The Successor Agency will permit the [Surety Provider] to discuss the affairs, finances, and accounts of the Successor Agency or any information the [Surety Provider] may reasonably request regarding the security for the Bonds with appropriate officers of the Successor Agency and will use commercially reasonable efforts to enable the [Surety Provider] to have access to the facilities, books, and records of the Successor Agency on any Business Day upon reasonable prior notice.

Section 5.06 Costs of Issuance Fund. Moneys deposited in the Costs of Issuance Fund will be held by the Trustee in trust and applied to the payment of Costs of Issuance upon a Requisition of the Successor Agency filed with the Trustee, which must be in substantially the form attached hereto as Exhibit B. Each requisition will be sufficient evidence to the Trustee of the facts stated therein, and the Trustee has no duty to confirm the accuracy of the facts. In no event may moneys from any other fund or account established hereunder be used to pay Costs of Issuance. All payments from the Costs of Issuance Fund will be reflected on the Trustee's regular accounting statements. At the end of twelve months from the date of issuance of each Series of Bonds, or upon earlier receipt of a Written Order of the Successor Agency stating that amounts in the Costs of Issuance Fund are no longer required for the payment of Costs of Issuance, the Costs of Issuance Fund will be terminated, and any amounts then remaining in it will be transferred to the Tax Increment Fund.

ARTICLE VI

COVENANTS OF THE SUCCESSOR AGENCY

Section 6.01 Punctual Payment. The Successor Agency will punctually pay the principal of, premium, if any, and the interest to become due with respect to the Bonds, in strict conformity with the

terms of the Bonds and of this Indenture and will faithfully satisfy, observe, and perform all conditions, covenants, and requirements of the Bonds and of this Indenture.

Section 6.02 Against Encumbrances. The Successor Agency will not mortgage or otherwise encumber, pledge, or place any charge upon any of the Tax Revenues, except as provided in this Indenture, and will not issue any obligation or security superior to, or on a parity with, then-Outstanding Bonds payable in whole or in part from the Tax Revenues (other than Additional Bonds in accordance with Section 4.01).

Section 6.03 Extension or Funding of Claims for Interest. In order to prevent any claims for interest after maturity, the Successor Agency will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any Bonds and will not, directly or indirectly, be a party to or approve any such extensions, or means to extend, by purchasing or funding the claims for interest or in any other manner. In case any claim for interest is extended or funded, whether or not with the consent of the Successor Agency, the claim for interest so extended or funded will not be entitled, in case of default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of the Bonds then Outstanding and of all claims for interest which will not have been so extended or funded.

Section 6.04 Payment of Claims. Subject to the terms of the Dissolution Law, the Successor Agency will pay and discharge any and all lawful claims for labor, materials, or supplies that, if unpaid, might become a lien or charge upon the properties owned by the Successor Agency or upon the Tax Revenues or any part thereof, or upon any funds in the hands of the Trustee, or that might impair the security of the Bonds, except that nothing herein contained requires the Successor Agency to make any payments so long as the Successor Agency in good faith contests the validity of any the claims.

Section 6.05 Books and Accounts; Financial Statements. The Successor Agency will keep proper books of record and accounts, separate from all other records and accounts of the Successor Agency, in which complete and correct entries will be made of all transactions relating to the Tax Increment Fund. The books of record and accounts will at all times during business hours be subject to the inspection of the Trustee (who has no duty to inspect) [and any representative of Owners of not less than 10% of the aggregate principal amount of Outstanding Bonds evidenced and authorized in writing.]

[The Successor Agency will prepare and file with the Trustee and the Bond Insurer annually (which filings may be deemed satisfied by posting to the MSRB) so long as any Bonds are Outstanding, the audited financial statements of the Successor Agency as part of the Annual Report (as defined in the Continuing Disclosure Certificate), provided, however, that the audited financial statements of the Successor Agency may be submitted separately from the balance of the Annual Report, and later than the date required for the filing of the Annual Report and as soon as practicable if they are not available by that date.]

Section 6.06 Protection of Security and Rights of Owners. The Successor Agency will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all Persons. From and after the sale and delivery of any Bonds by the Successor Agency, the Bonds will be incontestable by the Successor Agency.

Section 6.07 Payment of Taxes and Other Charges. The Successor Agency will pay and discharge all taxes, service charges, assessments, and other governmental charges that may hereafter be lawfully imposed upon the Successor Agency or any properties owned by the Successor Agency in the Project Area, or upon the revenues therefrom, when the same will become due; provided that nothing herein contained requires the Successor Agency to make any payments so long as the Successor Agency

in good faith contests the validity of the taxes, service charges, assessments, or other governmental charges.

Section 6.08 Amendment of Redevelopment Plan. The Successor Agency will not amend the Redevelopment Plan except as provided in this section and as permitted by the Law. If the Successor Agency proposes to amend the Redevelopment Plan, it will cause to be filed with the Trustee a Consultant's Report on the effect of the proposed amendment. If the Consultant's Report concludes that Tax Revenues will not be materially reduced by the proposed amendment, the Successor Agency may undertake the amendment. If the Consultant's Report concludes that Tax Revenues will be materially reduced by the proposed amendment, the Successor Agency may not undertake the proposed amendment. Notwithstanding the foregoing, the Successor Agency must obtain the prior written consent of the Bond Insurer, which consent will not be unreasonably withheld, for any amendment of the Redevelopment Plan that would (a) reduce the amount of Tax Revenues that may be received by the Successor Agency or (b) reduce the period during which the Successor Agency may collect Tax Revenues.

Section 6.09 Tax Revenues. The Successor Agency will comply with all requirements of the Law to ensure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary ROPS. The term "redevelopment plan" in this Section 6.09 will apply to [each] redevelopment plan defined as part of the Redevelopment Plan.

(a) The Successor Agency will manage its fiscal affairs in a manner so that it will have sufficient Tax Revenues available under the Redevelopment Plan in the amounts and at the times required to enable the Successor Agency to pay the principal of, premium, if any, and interest on the outstanding Existing Obligations, and any parity debt thereof, and the Series 2015 Bonds and any Additional Bonds when due.

The Successor Agency will comply with all requirements of the Law to obtain the allocation and payment to it of the Tax Revenues, including without limitation, the requisite amounts on its ROPS for each ROPS Period, and the timely filing thereof, all payments expected to be made to the Trustee in order to satisfy the requirements of this Section 6.09.

(b) The Successor Agency hereby covenants that, for so long as the receipt of Tax Revenues attributable to any redevelopment plan defined as part of the Redevelopment Plan is subject to a tax-increment limit under the Law, it will annually review the total amount of [tax-increment revenues remaining available to be received by the Successor Agency under the redevelopment plan's cumulative tax-increment limitation], as well as future cumulative annual debt service. If remaining tax-increment revenues allocable within a redevelopment plan's cumulative tax-increment limit are less than its allocable share of 105% of all future debt service on the Bonds, the Existing Obligations, and any other obligations of the Successor Agency payable from tax-increment revenues, the Successor Agency will immediately notify the Bond Insurer, and all tax-increment revenues allocable to that redevelopment plan not needed to pay current or any past due debt service on any related Successor Agency obligations or to replenish the Reserve Account to the Reserve Account Requirement or the related reserve accounts under the agreements for the Existing Obligations secured by tax-increment revenues allocable to that redevelopment plan will be deposited into a Trustee-held escrow account and invested in Defeasance Securities. Such fund must be used only to pay debt service on the Bonds [and any Existing Obligations]. Notwithstanding anything herein to the contrary, the provisions of this Section 6.09(b) may be modified or waived with the consent of the Bond Insurer.

(c) Notwithstanding the foregoing, if legislation is adopted by the California Legislature eliminating the effective limit on the amount of taxes that can be allocated to the Successor Agency pursuant to the Law and the Redevelopment Plan, the deposit of Tax Revenues attributable to any redevelopment plan defined as part of the Redevelopment Plan required by Section 6.09(b) for the

purpose of paying the payment of debt service on the Existing Obligations, and any parity debt thereof, and the Series 2015 Bonds and any Additional Bonds will no longer be required.]

The Successor Agency expressly finds and determines that the pledge, payment, and setting aside of Tax Revenues as provided for in this Indenture is not subject to any limitation contained in Article XIII B of the California Constitution.

Section 6.10 Further Assurances. The Successor Agency will adopt, make, execute, and deliver any and all additional resolutions, instruments, and assurances that are reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Indenture.

Section 6.11 Tax Covenants; Rebate Fund.

(a) The Successor Agency covenants that it will not take any action, or fail to take any action, if any the action or failure to take action would adversely affect the exclusion from gross income of the interest on any of the Tax-Exempt Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Successor Agency will comply with the requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant will survive payment in full or defeasance of the Tax-Exempt Bonds.

(b) The Successor Agency agrees that there will be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed, or final Treasury Regulations that may apply to the Tax-Exempt Bonds from time to time.

(c) The Trustee will establish and maintain a fund separate from any other fund established and maintained hereunder, designated as the Rebate Fund. Notwithstanding any other provision of this Indenture to the contrary, all amounts deposited into or on deposit in the Rebate Fund will be governed by this Section 6.11 and the Tax Certificate. The Successor Agency will cause to be deposited in the Rebate Fund the Rebate Requirement as provided in the Tax Certificate. Subject to the provisions of this Section 6.11, all money at any time deposited in the Rebate Fund will be held by the Trustee in trust for payment to the United States of America from time to time in accordance with the Tax Certificate. The Successor Agency and the Owners will have no rights in or claim to money in the Rebate Fund.

(d) Upon the written direction of the Successor Agency, the Trustee will invest all amounts held in the Rebate Fund in Permitted Investments, subject to the restrictions set forth in the Tax Certificate.

(e) Upon receipt of the Rebate Instructions required to be delivered to the Trustee by the Tax Certificate, the Trustee will remit part or all of the balances held in the Rebate Fund to the United States of America, as so directed. In addition, if the Rebate Instructions so direct, the Trustee will deposit moneys into or transfer moneys out of the Rebate Fund from or into such accounts or funds as the Rebate Instructions direct. Any funds remaining in the Rebate Fund after redemption and payment of all of the Tax-Exempt Bonds and payment of any required rebate amount, or provision made therefor satisfactory to the Trustee, will be withdrawn and remitted to the Successor Agency.

(f) The Trustee is not obligated to pay any amounts required to be remitted pursuant to this Section 6.11, other than from moneys held in the funds and accounts created under this Indenture or from other moneys provided to it by the Successor Agency.

(g) The Trustee will conclusively be deemed to have complied with the provisions of this Section 6.11 if it follows the directions of the Successor Agency set forth in the Rebate Instructions, and will not be required to take any actions thereunder in the absence of Rebate Instructions from the Successor Agency.

(h) Notwithstanding any other provision of this Indenture, the obligation of the Successor Agency to remit or cause to be remitted any required rebate amount to the United States of America and to comply with all other requirements of this Section 6.11 and the Tax Certificate will survive the defeasance or payment in full of the Tax-Exempt Bonds.

(i) Notwithstanding any provision of this Section 6.11 to the contrary, if the Successor Agency provides to the Trustee an opinion of Bond Counsel to the effect that any action required under this Section 6.11 is no longer required, or that some further or different action is required, to maintain the exclusion from Federal gross income of the interest on the Tax-Exempt Bonds pursuant to the Code, the Trustee and the Successor Agency may conclusively rely on the opinion in complying with the provisions of this Section 6.11, and the provisions hereof will be deemed to be modified to that extent.

Section 6.12 Compliance with the Dissolution Law. The Successor Agency covenants that in addition to complying with the requirements of Section 5.01, it will comply with all other requirements of the Dissolution Law. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file required statements and hold public hearings required under the Dissolution Law to assure compliance by the Successor Agency with its covenants under this Indenture. Further, the Successor Agency will take whatever actions are required under the Dissolution Law to include on its ROPS for each ROPS Period all payments expected to be made to the Trustee in order to satisfy the requirements of this Indenture, including any amounts required to pay principal and interest payments due on the Outstanding Bonds, any Compliance Costs, any deficiency in the Reserve Account to the full amount of the Reserve Account Requirement, and any required debt service, reserve set-asides, and any other payments required under this Indenture or similar documents pursuant to Section 34171(d)(1)(A) of the Dissolution Law, so as to enable the County Auditor-Controller to distribute from the RPTTF amounts attributable to the Project Area to the Trustee for deposit in the Tax Increment Fund on each RPTTF Distribution Date amounts required for the Successor Agency to pay the principal of, premium, if any, and the interest on the Outstanding Bonds coming due in the ROPS Period. These actions will include placing on the periodic ROPS for approval by the Oversight Board and the DOF, to the extent necessary, the amounts to be held by the Successor Agency as a reserve until the next ROPS Period, as contemplated by Section 34171(d)(1)(A) of the Dissolution Law, that are necessary to provide for the payment of principal of, premium, if any, and the interest on Bonds as provided in Sections 5.01 and 6.12 of this Indenture.

Promptly upon receipt thereof by the Successor Agency (but not more than 45 days after receipt), the Successor Agency will withdraw the Tax Revenues from the RPTTF or the Redevelopment Obligation Retirement Fund, or from both, and transfer all the amounts withdrawn to the Trustee, for deposit in the Tax Increment Fund, except that the Successor Agency is not obligated to deposit in the Tax Increment Fund in any Fiscal Year an amount of Tax Revenues that, together with other available amounts then in the Tax Increment Fund, exceeds the amounts required to be transferred to the Trustee for deposit in the Interest Account, the Principal Account, the Term Bonds Sinking Account, and the Reserve Account due in the Bond Year beginning in such Fiscal Year pursuant to Section 5.03. Any Tax Revenues received during any Fiscal Year following deposit in the Tax Increment Fund of an amount equal to the aggregate amount required to be transferred to the Interest Account, the Principal Account, the Term Bonds Sinking Account, and the Reserve Account due in the Bond Year beginning in such Fiscal Year pursuant to Section 5.03 of this Indenture will be released from the pledge and lien hereunder and may be used for any lawful purposes of the Successor Agency.

The Successor Agency covenants and agrees (a) that all Tax Revenues deposited in the Tax Increment Fund will be accounted for through, and be held in trust in, the Tax Increment Fund; and (b) that the Successor Agency has no beneficial right or interest in any of the Tax Revenues so deposited and held except as provided in this Indenture. All such Tax Revenues will nevertheless be disbursed, allocated, and applied solely to the uses and purposes herein set forth and will be accounted for separately and apart from all other money, funds, accounts, and other resources of the Successor Agency.

The Successor Agency will take all actions required under the Dissolution Law to include on its ROPS for each ROPS Period all payments expected to be made to the Trustee in order to satisfy the requirements of this Indenture, including any amounts required to pay principal and interest payments due on the Outstanding Bonds, any deficiency in the Reserve Account of the Tax Increment Fund to the full amount of the Reserve Account Requirement, and any Compliance Costs. The Successor Agency will include in its ROPS the amounts described below to be transmitted to the Trustee for the applicable ROPS Period. The Successor Agency will submit an Oversight Board-approved ROPS to the County Auditor-Controller and the Department of Finance at least 90 days before each ROPS Period.

Expected Compliance Costs, if any, will be included in each ROPS in accordance with the Dissolution Law.

In accordance with Section 5.01, the ROPS for the ROPS Period commencing January 1 of each year include, in addition to the other amounts required to be included thereon pursuant to the Law, Tax Revenues in an amount equal 100% of the deposits required pursuant to Sections 5.01 and 5.02 of this Indenture. The ROPS for the ROPS Period will further include all amounts required to pay (A) Annual Debt Service due on the Outstanding Bonds [and any parity debt], (B) debt service on Existing Obligations including amounts necessary to eliminate any deficiency in the applicable reserve account, (C) or otherwise fund any deficiency in the Reserve Account to the full amount of the Reserve Account Requirement, any Compliance Costs, and any required debt service, reserve set-asides, and (D) and any other payments required under the Indenture or similar documents pursuant to Section 34171(d)(1)(A) of the Dissolution Law.

All Tax Revenues received by the Successor Agency (a) during a ROPS Period in excess of the amount required, as provided in this section, to be deposited in the Tax Increment Fund on January 2 or similar initial RPTTF Distribution Date; and (b) during the immediately following ROPS Period in excess of the amount required, as provided in this section, to be deposited in the Tax Increment Fund on the related RPTTF Distribution Date, will, immediately following the deposit with the Trustee of the amounts required to be so deposited as provided in this section on each date, be released from the pledge, security interest, and lien hereunder for the security of the Outstanding Bonds and may be applied by the Successor Agency for any lawful purpose of the Successor Agency, including but not limited to the payment of subordinate debt and the payment of any amounts due and owing to the United States of America pursuant to Section 6.11.

Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Outstanding Bonds and the payment in full of all other amounts payable hereunder and under any Supplemental Indentures, the Successor Agency will not have any beneficial right or interest in the moneys on deposit in the Tax Increment Fund, except as may be provided in this Indenture and in any Supplemental Indenture.

Section 6.13 Adverse Change in State Law. If, due to an adverse change in State law resulting from legislation or the decision of a court with jurisdiction over the Successor Agency and/or the County-Auditor Controller, the Successor Agency determines that it can no longer comply with Section 6.12, then the Successor Agency will immediately notify the County Auditor-Controller and the Trustee in writing

of that determination. The Successor Agency will immediately seek a declaratory judgment or take other appropriate action in a court with jurisdiction over the Successor Agency and/or the County-Auditor Controller to determine the duties of all parties to this Indenture, and of the County Auditor-Controller, with regard to the performance of Section 6.12 by the Successor Agency. The Trustee may, but is not obligated to, participate in the process of seeking declaratory judgment to protect its rights hereunder. Any reasonable fees and expenses incurred by the Trustee (including, without limitation, legal fees and expenses) in connection with such participation will be borne by the Successor Agency.

Section 6.14 Credits to Redevelopment Obligation Retirement Fund. The Successor Agency covenants to credit all Tax Revenues withdrawn from the RPTTF by the County Auditor-Controller and remitted to the Trustee for the payment of the Bonds to the Redevelopment Obligation Retirement Fund.

Section 6.15 Compliance Costs. The Successor Agency, to the fullest extent permitted by law, will pay the annual Compliance Costs from amounts on deposit in the RPTTF, including fees and disbursements of the consultants and professionals engaged in connection with the Bonds, and costs of the Successor Agency, the City, and the Trustee.

Section 6.16 Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate will not be considered an Event of Default; provided, however, the Trustee, at the written request of any Participating Underwriter (as defined in the Continuing Disclosure Certificate) or the Owners of at least 25% aggregate principal amount of Outstanding Bonds, will to the extent the Trustee is indemnified to its satisfaction from and against any liability or expense related thereto, or any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency to comply with its obligations under this section and the Continuing Disclosure Certificate. For purposes of this section, “**Beneficial Owner**” means any Person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including Persons holding Bonds through nominees, depositories, or other intermediaries).

ARTICLE VII

THE TRUSTEE

Section 7.01 Appointment and Acceptance of Duties. The Trustee hereby accepts and agrees to the trusts hereby created to all of which the Successor Agency agrees and the Owners, by their purchase and acceptance thereof, agree.

Section 7.02 Duties, Immunities and Liability of Trustee.

(a) The Trustee will, before an Event of Default, and after the curing or waiver of all Events of Default that have occurred, perform the duties and only the duties expressly set forth in this Indenture, and no implied duties or obligations will be read into this Indenture against the Trustee. During the existence of any Event of Default that has not been cured or waived, the Trustee will exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a reasonable individual would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) Subject to Section 12.15, and in the absence of an Event of Default, the Successor Agency may remove the Trustee upon the occurrence of any of the following by giving written notice of

removal to the Trustee: receipt of an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing); receipt of a written request of the Bond Insurer stating good cause; receipt of a written request of the Bond Insurer following an Event of Default (irrespective of cause); if the Trustee ceases to be eligible in accordance with Section 7.02(e), becomes incapable of acting, or commences a case under any bankruptcy, insolvency, or similar law; or if a receiver of the Trustee or of its property is appointed; or if any public officer takes control or charge of the Trustee or its property or affairs for the purpose of rehabilitation, conservation, or liquidation. Promptly upon removal of the Trustee, the Successor will promptly appoint a successor Trustee by an instrument in writing.

(c) The Trustee may, subject to Section 7.02(d) below, resign by giving written notice of resignation to the Successor Agency and the Bond Insurer and by giving notice of such resignation by U.S. Mail, first-class postage prepaid, to the Owners at the addresses listed in the Bond Register. Upon receiving the notice of resignation, the Successor Agency will promptly appoint a successor Trustee by an instrument in writing, and will notify the Bond Insurer of such appointment.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee will become effective only upon acceptance of appointment by the successor Trustee. If a successor Trustee has not been appointed and has not accepted appointment within 30 days after a notice of removal or notice of resignation, the resigning Trustee or any Owner (on behalf of the Owner and all other Owners) may petition, at the expense of the Successor Agency, any court with jurisdiction over the Successor Agency for the appointment of a successor Trustee, and the court may thereupon, after such notice (if any) as it deems proper, appoint a successor Trustee. Any successor Trustee appointed under this Indenture must signify its acceptance of its appointment by executing and delivering to the Successor Agency and to the predecessor Trustee and the Bond Insurer a written acceptance thereof, and thereupon the successor Trustee, without any further act, deed, or conveyance, will become vested with all the moneys, estates, properties, rights, powers, trusts, duties, and obligations of the predecessor Trustee, with like effect as if originally named Trustee herein; nevertheless, at the written request of the Successor Agency or the successor Trustee, the predecessor Trustee will execute and deliver any and all instruments of conveyance or further assurance and do all other things as may reasonably be required for fully and certainly vesting in and confirming to the successor Trustee all the right, title, and interest of the predecessor Trustee in and to any property held by it under this Indenture and will pay over, transfer, assign, and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth herein. Upon request of the successor Trustee, the Successor Agency will execute and deliver any and all instruments as may be reasonably required for fully and certainly vesting in and confirming to the successor Trustee all moneys, estates, properties, rights, powers, trusts, duties, and obligations. Upon acceptance of appointment by a successor Trustee as provided in this Section 7.02(d), the successor Trustee give a notice of the succession of the Trustee to the trusts hereunder by U.S. Mail, first-class postage prepaid, to the Owners at their addresses listed in the Bond Register.

(e) Any Trustee appointed under the provisions of this Section 7.02 must be a trust company or bank having the powers of a trust company or authorized to exercise trust powers, having a corporate trust office in California, having (or in the case of a bank, trust company, or bank holding company that is a member of a bank holding company system, the related bank holding company must have) a combined capital and surplus of at least \$50,000,000, and must be subject to supervision or examination by federal or state authority. If such a bank, trust company, or bank holding company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section 7.02(d) the combined capital and surplus of the bank, trust company, or bank holding company will be deemed to be its combined capital and surplus as set forth in its most-recent report of condition so published. If the Trustee ceases to be eligible in accordance with the

provisions of this Section 7.02(d), the Trustee will resign immediately in the manner and with the effect specified in this section.

(f) No provision in this Indenture requires the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder unless the Owners have offered to the Trustee security or indemnity it deems reasonable against the costs, expenses, and liabilities that may be incurred.

(g) In accepting the trust hereby created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity, and under no circumstances will the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

(h) The Trustee makes no representation or warranty, express or implied, as to the compliance with legal requirements of the use contemplated by the Successor Agency of the funds under this Indenture.

(i) The Trustee is not responsible for the recording or filing of any document relating to this Indenture or of financing statements (or continuation statements in connection therewith). The Trustee will not be deemed to have made representations as to the security afforded thereby or as to the validity, sufficiency, or priority of any such document, collateral, or security of the Bonds.

(j) The Trustee will not be deemed to have knowledge of any Event of Default hereunder unless and until a Responsible Officer has actual knowledge thereof at the Principal Corporate Trust Office.

(k) The Trustee is not accountable for the use or application by the Successor Agency or any other party of any funds the Trustee has released under this Indenture.

(l) The Trustee will provide a monthly accounting of all Funds held pursuant to this Indenture to the Successor Agency within 15 Business Days after the end of each month and will provide statements of account for each annual period beginning July 1 and ending June 30, within 90 days after the end annual period. The accounting must show in reasonable detail all transactions made by the Trustee under this Indenture during the accounting period and the balance in any Funds and accounts created under this Indenture as of the beginning and close of the accounting period.

(m) All moneys received by the Trustee will, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law.

(n) The permissive rights of the Trustee to do things enumerated in this Indenture do not impose a duty unless so specified herein.

(o) The Trustee may appoint and act through an agent and will not be responsible for any misconduct or negligence of any an agent appointed with due care.

Section 7.03 Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated, or any company resulting from any merger, conversion, or consolidation to which it will be a party, or any company to which the Trustee sells or transfers all or substantially all of its corporate trust business, provided the company is eligible under Section 7.02(e), will succeed to the rights and obligations of the Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 7.04 Compensation. The Successor Agency will pay to the Trustee a reasonable compensation for its services rendered hereunder and reimburse the Trustee for reasonable expenses, disbursements, and advances, including attorney's and agent's fees and expenses, incurred by the Trustee in the performance of its obligations hereunder.

The Successor Agency agrees, to the extent permitted by law, to indemnify and hold harmless the Trustee and the Trustees' officers, directors, employees, attorneys, and agents against, any loss, liability, or expense incurred without negligence or willful misconduct on Trustee's part arising out of or in connection with (a) the acceptance or administration of the trusts imposed by this Indenture, including performance of the Trustee's duties hereunder, including the costs and expenses of defending itself against any claims or liability in connection with the exercise or performance of any of the Trustee's powers or duties hereunder; (b) the sale of any Bonds and the carrying out of any of the transactions contemplated by the Bonds; or (c) any untrue statement of any material fact or omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other disclosure document distributed by the Successor Agency or under the Successor Agency's authority in connection with the sale of the Bonds. The Successor Agency's obligations hereunder with respect to indemnity of the Trustee and the provision for its compensation set forth in this Article VII will survive and remain valid and binding notwithstanding the maturity and payment of the Bonds or the resignation or removal of the Trustee.

The Trustee has no responsibility for, or liability in connection with, assuring that all of the procedures or conditions to closing set forth in the contract of purchase for sale of the Bonds are satisfied, or that all documents required to be delivered on the closing date to the parties are actually delivered, except its own responsibility to receive or deliver the proceeds of the sale and to deliver the Bonds and other certificates expressly required to be delivered by it and its counsel.

Section 7.05 Liability of Trustee. The recitals of facts herein and in the Bonds contained will be taken as statements of the Successor Agency, and the Trustee does not assume any responsibility for the correctness of the same or make any representations as to the validity or sufficiency of this Indenture or of the Bonds, and the Trustee will not incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it, except that the Trustee will be responsible for its representations in its certificate of authentication on the Bonds. The Trustee will not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Trustee (in its individual or any other capacity) may become the Owner with the same rights it would have if it were not Trustee hereunder, and, to the extent permitted by law, may act as depository for and permit any of its officers, directors, and employees to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee represents the Owners of a majority in principal amount (or any lesser amount that may direct the Trustee in accordance with, and as provided in, the provisions of this Indenture) of the Bonds then Outstanding. The Trustee is not liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in principal amount (or any lesser amount that may direct the Trustee in accordance with, and as provided in, the provisions of this Indenture) of the Outstanding Bonds relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, hereunder. Whether or not therein expressly so provided, every provision of this Indenture or related documents relating to the conduct or affecting the liability of or affording protection to the Trustee is subject to the provisions of this Article VII. All indemnifications and releases from liability granted herein to the Trustee extend to the directors, officers, employees, and agents of the Trustee.

Section 7.06 Right to Rely on Documents. The Trustee may rely on and will be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the Successor Agency, with regard to legal questions, and the opinion of counsel will be full and complete authorization and protection for any action taken or suffered or omitted by the Trustee hereunder in good faith and in accordance therewith.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, the matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by an Officer's Certificate, and the Officer's Certificate will be full warrant to the Trustee for any action taken or suffered or omitted in good faith under the provisions of this Indenture in reliance upon the Officer's Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of the matter or may require any additional evidence as to it may seem reasonable.

The Trustee is entitled to advice of counsel and other professionals concerning all matters of trust and its duty hereunder, but the Trustee is not answerable for the professional malpractice of any attorney-at-law or certified public accountant in connection with the rendering of the attorney's or accountant's professional advice in accordance with the terms of this Indenture, if the attorney or accountant was selected by the Trustee with due care.

Section 7.07 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture will be retained in its possession and will be subject at all reasonable times upon prior notice to the inspection of the Successor Agency, other Owners of at least 25% of the aggregate principal amount of the Bonds, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

Section 7.08 Indemnity for Trustee. Before taking any action or exercising any rights or powers under this Indenture, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all costs and expenses it may incur and for indemnification against all liability, except liability which may result from its negligence or willful misconduct, by reason of any action so taken.

ARTICLE VIII

EXECUTION OF INSTRUMENTS BY OWNERS AND PROOF OF OWNERSHIP OF THE BONDS

Section 8.01 Execution of Instruments; Proof of Ownership. Any request, direction, consent, or other instrument in writing required or permitted by this Indenture to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor by different parties and may be signed or executed by such Owners in person or by its agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of the Bonds will be sufficient for any purpose of this Indenture and will be conclusive in favor of the Trustee with regard to any action taken, suffered, or omitted by either of them under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any instrument described in this Section 8.01 may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing the

instrument acknowledged before the officer the execution thereof, or by an affidavit of a witness to the execution.

(b) The fact of the ownership of the Bonds under this Indenture by any Owner and the serial numbers of the Bonds and the date of each Owner's ownership will be proved by the Bond Register.

Nothing in this Article VIII limits the Trustee to the proof described, and the Trustee may accept any other evidence of the matters stated in this Article VIII that the Trustee deems sufficient. Any request or consent of an Owner will bind every future Owner of the same Bond and of any Bond or Bonds issued in exchange or substitution therefor or upon the registration of transfer thereof in respect of anything done by the Trustee in pursuance of such request or consent.

ARTICLE IX

AMENDMENT OF INDENTURE

Section 9.01 Amendment by Consent of Owners. This Indenture and the rights and obligations of the Successor Agency and of the Owners may be amended at any time, upon the written consent of the Bond Insurer, by a Supplemental Indenture that will become binding when the written consents of the Owners of 60% in aggregate principal amount of Outstanding Bonds, exclusive of Bonds disqualified as provided in Section 9.02, are filed with the Trustee. The consent of the Bond Insurer, in place of Owner's consent, will be sufficient so long as the Bond Insurer's policy is not in default and secures payments on the requisite ownership, but only if the amendment does not (a) extend the maturity of, or reduce the interest rate on, or otherwise alter or impair the obligation of the Successor Agency to pay the interest or principal of, and premium, if any, at the time and place and at the rate and in the currency provided herein of any Bond, without the express written consent of the Owner of such Bond; (b) permit the creation by the Successor Agency of any mortgage, pledge, or lien upon the Tax Revenues superior to, or on a parity with, the pledge and lien created in this Indenture for the benefit of the Bonds, without the express written consent of the Owner of such Bond; (c) reduce the percentage of Bonds required for the written consent to an amendment, without the express written consent of the Owner of such Bond; or (d) modify the rights or obligations of the Trustee without its prior written assent thereto.

Section 9.02 Amendment without Consent of Owners. This Indenture and the rights and obligations of the Successor Agency and of the Owners may also be amended at any time, upon the written consent of the Bond Insurer, by a Supplemental Indenture that becomes binding upon adoption, without the consent of any Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

(a) To add to the covenants and agreements of the Successor Agency in this Indenture, to add other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the Successor Agency.

(b) To add any provisions and make any changes the Successor Agency deems necessary or desirable and not inconsistent with this Indenture for the purpose of curing any ambiguity, or of curing, correcting, or supplementing any defective provision in this Indenture, or of addressing questions arising under this Indenture, but only if the provisions or changes do not materially adversely affect the interests of the Owners.

(c) To provide for the issuance of any Additional Bonds and to provide the terms and conditions under which the Additional Bonds may be issued subject to, and in accordance with, the provisions of Article IV.

(d) To modify, amend, or supplement this Indenture so as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or under any similar federal statute hereafter in effect, and to add any other terms, conditions, and provisions permitted by that act or similar federal statute, but only if the modification, amendment, or supplement does not materially adversely affect the interests of the Owners.

(e) To maintain the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income-tax purposes.

(f) To modify, amend, or supplement this Indenture so as to conform to changes in the Dissolution Law, but only if there is no material adverse effect to holders of the Bonds.

(g) To obtain a bond insurance policy or a rating on the Bonds.

The written consent of the Owners of a Series of Bonds may be effected through a consent by the underwriter of the Series of Bonds at the time of the issuance of the Series of Bonds or through a provision of a Supplemental Indenture that deems any Owners purchasing the Series of Bonds to consent for purposes of this Section 9.01 by virtue of purchasing the Series of Bonds.

Section 9.02 Disqualified Bonds. Bonds owned or held by or for the account of the Successor Agency or the City will not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided for in this Article IX and will not be entitled to consent to or take any other action provided for in this Article IX.

Section 9.03 Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the Successor Agency may determine that the Bonds may bear a notation as to that action by endorsement in form approved by the Successor Agency, and in that case, upon demand of the Owner of any Bond Outstanding at the effective date and presentation of the Bond for the purpose at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation as to the action will be made on the Bond. If the Successor Agency so determines, new Bonds so modified as, in the opinion of the Successor Agency, are necessary to conform to the action will be prepared and executed, and in that case, upon demand of the Owner of any Bond Outstanding at the effective date, the new Bonds will be exchanged at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, without cost to each Owner, for Bonds then Outstanding, upon surrender of the Outstanding Bonds.

Section 9.04 Amendment by Mutual Consent. The provisions of this Article IX will not prevent any Owner from accepting any amendment as to the particular Bonds the Owner holds, provided that due notation thereof is made on the Bonds.

Section 9.05 Opinion of Counsel. The Trustee may request and conclusively accept an opinion of counsel to the Successor Agency that an amendment of this Indenture is in conformity with the provisions of this Article IX.

Section 9.06 Notice to Rating Agencies. The Successor Agency will provide each rating agency rating the Bonds with a notice of any amendment to this Indenture pursuant to this Article IX and a copy of any Supplemental Indenture at least 15 days in advance of its execution.

Section 9.07 Transcript of Proceedings to Bond Insurer. The Successor Agency will provide the Bond Insurer with a full transcript of the proceedings relating to the execution and delivery of any Supplemental Indenture.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 10.01 Events of Default and Acceleration of Maturities. If one or more of the following events (each an “**Event of Default**”) will happen, that is to say—

(a) if default is made in the due and punctual payment of the principal of, or premium, if any, on any Bond when and as the same becomes due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) if default is made in the due and punctual payment of the interest on any Bond when and as the same becomes due and payable;

(c) if default is made by the Successor Agency in the observance of any of the agreements, conditions, or covenants on its part in this Indenture or in the Bonds, and the default has continued for 30 days after the Successor Agency has been given notice in writing of the default by the Trustee (except that such a default will not constitute an Event of Default if the Successor Agency commences to cure it within the 30-day period and thereafter diligently and in good faith proceeds to cure the default within a reasonable time not exceeding 60 days after the notice without the prior written consent of the Bond Insurer, which consent will not be unreasonably withheld); or

(d) if the Successor Agency files a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court with jurisdiction over the Successor Agency approves a petition, filed with or without the consent of the Successor Agency, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court with jurisdiction over the Successor Agency assumes custody or control of the Successor Agency or of the whole or any substantial part of its property;

then, and during the continuance of the Event of Default, with the written consent of the Bond Insurer, the Trustee may, and upon the written request of the Owners of not less than 25% in aggregate principal amount of Outstanding Bonds the Trustee will, by notice in writing to the Successor Agency declare the principal of all of the Bonds then Outstanding and the interest accrued thereon to be due and payable immediately, and upon such a declaration the same will become and will be immediately due and payable. For all purposes under this Article X, the Bond Insurer is deemed to be an owner of 100% of the insured bonds unless the Bond Insurer is in default under the terms of the Bond Insurance Policy.

At any time after the principal of the Bonds has been so declared due and payable and before any judgment or decree for the payment of the money due has been obtained or entered, if the Successor Agency deposits with the Trustee a sum sufficient to pay all principal on the Outstanding Bonds matured before the declaration and to pay all matured installments of interest (if any) upon all the Bonds, with interest at the annual rate of 10% on the overdue installments of principal and interest, and if the reasonable expenses of the Trustee and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Outstanding Bonds due and payable solely by reason of the declaration) have been made good or cured to the satisfaction of the Trustee or a provision deemed by the Trustee to be adequate has been made therefor, then the Owners of at least 25% in aggregate principal amount of Outstanding Bonds, by written notice to the Successor Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul the declaration and its consequences. No rescission and annulment will extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

An Event of Default will continue to exist under Sections 10.01(a) and 10.01(b) after payment is made by the Bond Insurer when due, pursuant to the terms of the Bond Insurance Policy.

Section 10.02 Application of Funds Upon Acceleration. All money in the funds and accounts provided for in this Indenture upon the date of the declaration of acceleration by the Trustee as provided in Section 10.01, and all Tax Revenues thereafter received by the Successor Agency hereunder, will be transmitted to the Trustee and will be applied by the Trustee in the following order:

(a) First, to the payment of the costs and expenses of the Trustee, if any, in carrying out the provisions of this Article X, including reasonable compensation to its agents, attorneys, and counsel, and then to the payment of the costs and expenses of the Owners in providing for the declaration of the Event of Default, including reasonable compensation to their agents, attorneys, and counsel.

(b) Second, upon presentation of the several Bonds and the stamping thereon of the amount of the payment if only partially paid, or upon the surrender thereof if fully paid, to the payment of the whole amount then owing and unpaid upon the Outstanding Bonds for principal of, and interest on, the Outstanding Bonds, with interest on the overdue interest and principal at the annual rate of 10%, and if the money is insufficient to pay in full the whole amount so owing and unpaid upon the Outstanding Bonds, then to the payment of the interest, principal, and interest on overdue interest and principal without preference or priority among such interest, principal, and interest on overdue interest and principal, ratably to the aggregate of the interest, principal, and interest on overdue interest and principal.

Section 10.03 Trustee to Represent Owners. The Trustee is hereby irrevocably appointed (and the successive Owners, by taking and owning the Bonds, will be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners for the purpose of exercising and prosecuting on their behalf any rights and remedies that are available to the Owners under the provisions of the Bonds, this Indenture, the Law, and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Owners, the Trustee in its discretion may, with the consent of the Bond Insurer, and upon the written request of the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding, and upon being indemnified to its satisfaction therefor the Trustee will, proceed to protect or enforce its rights or the rights of the Owners by the appropriate action, suit, mandamus, or other proceedings it deems most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in the Owners under this Indenture, the Law, or any other law. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action, or proceeding instituted by the Trustee will be brought in the name of the Trustee for the benefit and protection of all the Owners, subject to the provisions of this Indenture.

Section 10.04 Owners' Direction of Proceedings. The Owners of a majority in aggregate principal amount of the Bonds then Outstanding have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, subject to the following: the direction must be in accordance with law and the provisions of this Indenture, and the Trustee will have the right to decline to follow any direction that in the opinion of the Trustee would be unjustly prejudicial to Owners not parties to the direction.

Section 10.05 Limitation on Owners' Right to Sue. No Owner of any Bond may institute any suit, action, or proceeding at law or in equity for the protection or enforcement of any right or remedy

under this Indenture, the Law, or any other applicable law with respect to the Bond, unless (a) the Owner has given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of not less than (25% in aggregate principal amount of Bonds then Outstanding have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute the suit, action, or proceeding in its own name; (c) the Owner or Owners have tendered to the Trustee reasonable indemnity against the costs, expenses, and liabilities to be incurred in compliance with the request; and (d) the Trustee has refused or omitted to comply with the request for 60 days after the written request has been received by, and the tender of indemnity has been made to, the Trustee.

Notification, request, tender of indemnity, and refusal or omission are conditions precedent to the exercise by an Owner of any remedy hereunder or under law. An Owner may not affect, disturb, or prejudice the security of this Indenture or the rights of any other Owners. An Owner may not enforce any right under this Indenture, the Law, or other applicable law with respect to the Bonds except in the manner herein provided, and all proceedings at law or in equity to enforce any right under this Indenture, the Law, or other applicable law with respect to the Bonds must be instituted, had, and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture.

Section 10.06 Non-Waiver. Nothing in this Article X or in any other provision of this Indenture or the Bonds affects or impairs (a) the obligation of the Successor Agency, which is absolute and unconditional, to pay the principal of, and the interest on, the Bonds to the Owners at the dates of maturity, as herein provided, out of the Tax Revenues pledged for payment; or (b) the right of action, which is also absolute and unconditional, of the Owners to institute suit to enforce payment by virtue of the contract embodied in the Bonds and this Indenture.

A waiver of any default or breach of duty or contract by any Owner will not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach. No delay or omission by any Owner to exercise any right or power accruing upon any default will impair any such right or power or constitute a waiver of any the default or an acquiescence therein, and every power and remedy conferred upon the Owners by the Law or by this Article X may be enforced and exercised from time to time and as often as will be deemed expedient by the Owners.

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

Section 10.07 Remedies Not Exclusive. The remedies herein conferred upon or reserved to the Trustee or the Owners are exclusive of any other remedy; are cumulative and in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise; and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

ARTICLE XI

DEFEASANCE

Section 11.01 Discharge of Indebtedness. (a) If the Successor Agency shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the principal thereof and the interest and premium, if any, thereon at the times and in the manner stipulated herein and therein, and if all other amounts due and payable hereunder have been paid, then the Owners will cease to be entitled to

the lien created hereby, and all agreements, covenants, and other obligations of the Successor Agency hereunder will thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee will execute and deliver to the Successor Agency all such instruments as may be necessary or desirable to evidence the discharge and satisfaction, and the Trustee will pay over or deliver to the Successor Agency all money or securities held by it pursuant hereto that are not required for the payment of the principal of and interest and premium, if any, on the Bonds.

(b) Subject to the provisions of Section 11.01(a), when any Bond has been paid and if, at the time of payment, the Successor Agency has kept, performed, and observed all of the covenants and promises in the Bonds and in this Indenture required or contemplated to be kept, performed, and observed by the Successor Agency or on its part on or before that time, then this Indenture will be considered to have been discharged in respect of the Bond, and the Bond will cease to be entitled to the lien created hereby, and all agreements, covenants, and other obligations of the Successor Agency hereunder will cease, terminate, become void, and be completely discharged and satisfied as to the Bond.

(c) Notwithstanding the discharge and satisfaction of this Indenture or the discharge and satisfaction of this Indenture in respect of any Bond, those provisions of this Indenture relating to the maturity of the Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost, or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, and the duties of the Trustee in connection with all of the foregoing will remain in effect and will be binding upon the Trustee and the Owners, and the Trustee will continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of and interest and premium, if any, on the Bonds, to pay to the Owners the funds so held by the Trustee as and when such payment becomes due.

Section 11.02 Bonds Deemed to Have Been Paid.

(a) If moneys have been set aside and held by the Trustee for the payment or redemption of any Bond and the payment of the interest thereon to the maturity or redemption date thereof, then the Bond will be deemed to have been paid within the meaning and with the effect provided in Section 11.01. Any Outstanding Bond will be deemed to have been paid before the maturity date or redemption date thereof within the meaning of, and with the effect expressed in Section 11.01, if both of the following have occurred:

(1) There has been deposited with the Trustee either (A) money in an amount that will be sufficient or (B) Federal Securities, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys that will be sufficient, to pay when due the interest to become due on the Bond on and before the maturity date or redemption date thereof, as the case may be, and the principal of and premium, if any, on such Bond.

(2) If the Bond is not by its terms subject to redemption within the next succeeding 60 days, the Successor Agency has given the Trustee, in form satisfactory to the Trustee, irrevocable instructions to mail as soon as practicable a notice to the Owner that the deposit required by Section 11.02(a)(1) above has been made with the Trustee and that the Bond is deemed to have been paid in accordance with this Section 11.02 and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and premium, if any, on the Bond.

Neither the money nor the Federal Securities deposited with the Trustee pursuant to this Section 11.02(a) in connection with the deemed payment of Bonds, nor principal or interest payments on any

Federal Securities so deposited, may be withdrawn or used for any purpose other than, and will be held in trust for and pledged to, the payment of the principal of and, premium, if any, and interest on, the Bonds.

(b) No Bond will be deemed to have been paid pursuant to Section 11.02(a)(1)(B) unless the Successor Agency has caused to be delivered (1) an executed copy of a Verification Report with respect to such deemed payment, addressed to the Successor Agency and the Trustee; (2) a copy of the escrow agreement entered into in connection with the deposit pursuant to Section 11.02(a)(1)(B) resulting in the deemed payment, which escrow agreement must provide that no substitution of Federal Securities is permitted except with other Federal Securities and upon delivery of a new Verification Report and that no reinvestment of Federal Securities is permitted except as contemplated by the original Verification Report or upon delivery of a new Verification Report; and (3) a copy of an opinion of Bond Counsel, dated the date of the deemed payment and addressed to the Successor Agency and the Trustee, to the effect that the Bond has been paid within the meaning and with the effect expressed in this Indenture, and all agreements, covenants, and other obligations of the Successor Agency hereunder as to the Bond have ceased, terminated, become void, and been completely discharged and satisfied.

(c) The Trustee is entitled to rely upon (1) an opinion of Bond Counsel to the effect that the conditions precedent to a deemed payment pursuant to Section 11.02(a)(2) have been satisfied, and (2) any other opinions, certifications, and computations of accountants or other financial consultants concerning the matters described in Section 11.02(a)(1).

ARTICLE XII

MISCELLANEOUS

Section 12.01 Liability of Successor Agency Limited to Tax Revenues. The Successor Agency is not required to advance any money derived from any source of income other than the Tax Revenues for the payment of the principal of, and the interest on the Bonds or for the performance of any covenants herein contained, other than the covenants contained in Section 6.11. The Successor Agency may, however, advance funds for such a purpose, provided that the funds are derived from a source legally available for that purpose.

The Bonds are special obligations of the Successor Agency and are payable, as to interest thereon and principal thereof, exclusively from the Tax Revenues, and the Successor Agency is not obligated to pay them except from the Tax Revenues. All of the Bonds are equally secured by a pledge of, and charge and lien upon, all of the Tax Revenues, and the Tax Revenues constitute a trust fund for the security and payment of the principal of, and the interest on the Bonds, to the extent set forth in this Indenture. The Bonds are not a debt of the City, the County, the State of California, or any other political subdivision of the State, and neither the City, the State, the County, nor any of the State's other political subdivisions is liable therefor, nor in any event will the Bonds be payable out of any funds or properties other than those of the Successor Agency pledged therefor as provided in this Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction, and neither the members of the Successor Agency nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

Section 12.02 Parties Interested Herein. Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the Successor Agency, the Trustee, the Bond Insurer, and the Owners any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises, or agreements in this Indenture by and on behalf of the Successor Agency or any member, officer, or employee thereof is for the sole and exclusive benefit of the Trustee, the Bond Insurer, and the Owners.

Section 12.03 Unclaimed Moneys. Notwithstanding anything to the contrary herein, any money held by the Trustee in trust for the payment and discharge of the interest on, or principal or premium, if any, of any Bond that remains unclaimed for two years after the date when the amounts have become payable, if the money was held by the Trustee on that date, or for two years after the date of deposit of the money if deposited with the Trustee after the date the amounts have become payable will be paid by the Trustee to the Successor Agency as its absolute property free from trust, and the Trustee will thereupon be released and discharged with respect thereto and the Owners will look only to the Successor Agency for the payment of those amounts; provided, that before being required to make such a payment to the Successor Agency, the Trustee will, at the expense of the Successor Agency, give notice by U.S. Mail, first-class postage prepaid, to all Owners that the money remains unclaimed and that after a date named in the notice, which date will not be less than 60 days after the date of giving the notice, the balance of the money then unclaimed will be returned to the Successor Agency.

Section 12.04 Moneys Held for Particular Bonds. The money held by the Trustee for the payment of the principal of or premium or interest on particular Bonds due on any date (or portions of Bonds in the case of Bonds redeemed in part only) will, on and after such date and pending payment, be set aside on its books and held in trust by it for the Owners entitled thereto, subject, however, to the provisions of Section 12.03, but without any liability for interest thereon.

Section 12.05 Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the Successor Agency or any member, officer, or employee thereof is named or referred to, that reference will be deemed to include the successor to the powers, duties, and functions, with respect to the management, administration, and control of the affairs of the Successor Agency, that are vested in the Successor Agency or the member, officer, or employee as of the date of this Indenture, and all the agreements, covenants, and provisions in this Indenture by or on behalf of the Successor Agency or any member, officer, or employee thereof will bind and inure to the benefit of their successors whether so expressed or not.

Section 12.06 Execution of Documents by Owners. Any request, declaration, or other instrument that this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and may be executed by Owners in person or by their attorneys appointed in writing.

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

The Trustee may nevertheless in its discretion require further or other proof where it deems the same desirable. The ownership of registered Bonds and the amount, maturity, Series, number, and date of holding the same will be proved by the registry books provided for in Section 2.15.

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

Section 12.07 Waiver of Personal Liability. No member, officer, or employee of the Successor Agency is individually or personally liable for the payment of the principal of, premium, if any, and the

interest on the Bonds; but nothing herein will relieve any member, officer, or employee of the Successor Agency from the performance of any official duty provided by law.

Section 12.08 Acquisition of Bonds by Successor Agency. All Bonds acquired by the Successor Agency, whether by purchase or gift or otherwise, will be surrendered to the Trustee for cancellation.

Section 12.09 Destruction of Cancelled Bonds. Whenever in this Indenture provision is made for return to the Successor Agency of any Bonds that have been cancelled pursuant to the provisions of this Indenture, the Successor Agency may, by a Written Request of the Successor Agency, direct the Trustee to destroy the Bonds and furnish to the Successor Agency a certificate of the destruction.

Section 12.10 Content of Certificates and Reports. Every certificate or report with respect to compliance with a condition or covenant provided for in this Indenture must include (a) a statement that the person or persons making or giving the certificate or report have read the covenant or condition and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions in the certificate or report are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made the examination or investigation that is necessary to enable them to express an informed opinion as to whether or the covenant or condition has been satisfied; and (d) a statement as to whether, in the opinion of the signers, the condition or covenant has been satisfied.

Any certificate made or given by an officer of the Successor Agency under this Section 12.10 may be based, insofar as it relates to legal matters, upon a certificate, opinion, or representation by counsel unless the officer knows that counsel's certificate or opinion or representation with respect to the matters upon which the certificate, opinion, or representation by counsel may be based is erroneous or unless, in the exercise of reasonable care, the officer should have known that the same was erroneous. Any certificate, opinion, or representation by counsel may be based, insofar as it relates to factual matters, information with respect to which is in the possession of the Successor Agency, upon the certificate or opinion of or representations by an officer or officers of the Successor Agency unless counsel knows that the certificate, opinion, or representation with respect to the matters upon which counsel's certificate, opinion, or representation may be based is erroneous or unless, in exercise of reasonable care, counsel should have known that the same were erroneous.

Section 12.11 Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Successor Agency or the Trustee may be established and maintained in the accounting records of the Successor Agency or the Trustee either as a fund or an account, and may, for the purposes of the records, any audits thereof, and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts must at all times be maintained in accordance with sound accounting practices and with due regard for the protection of the security of the Bonds and the rights of the Owners.

Section 12.12 Article and Section Headings and References. The headings or titles of the several articles and sections of this Indenture, and the table of contents appended hereto, are solely for convenience of reference and do not affect the meaning, construction, or effect of this Indenture.

All references herein to "Articles," "Sections," and other subdivisions are to the corresponding articles, sections, or subdivisions of this Indenture; and the words "herein," "hereof," "hereunder," and other words of similar import refer to this Indenture as a whole and not to any particular article, section, or subdivision hereof.

Section 12.13 Partial Invalidity. If any one or more of the agreements or covenants or portions thereof provided in this Indenture to be performed on the part of the Successor Agency (or of the Trustee) is contrary to law, then that agreement or agreements, that covenant or covenants, and that portion or portions thereof will be null and void and will be deemed separable from the remaining agreements and covenants or portions thereof and will in no way affect the validity of this Indenture or of the Bonds; but the Owners will retain all the rights and benefits accorded to them under the Law or any other applicable provisions of law. The Successor Agency hereby declares that it would have entered into this Indenture and every other section, paragraph, subdivision, sentence, clause, and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses, or phrases of this Indenture or the application thereof to any Person or circumstance may be held to be unconstitutional, unenforceable, or invalid.

Section 12.14 Notices. All notices required to be given hereunder to the Successor Agency, the Trustee, and the 2015 Bond Insurer will be sent to the following addresses:

Successor Agency: Redevelopment Agency Successor Agency
915 I Street, HCH, 3rd Floor
Sacramento, CA 95814
Attention: City Treasurer

Trustee: U.S. Bank National Association
One California Street, Suite 2100
Sacramento, CA 94111
Attention: Global Corporate Trust Services

2015 Bond Insurer:

Section 12.15 Bond Insurance Payment and Reimbursement Provisions Relating to Insured Series 2015 Bonds. Notwithstanding anything to the contrary contained herein, the following provisions are applicable to the 2015 Bond Insurance Policy.

[INCLUDED AS EXAMPLE OF TERMS; SUBJECT TO ACTUAL INSURER TERMS IF A POLICY IS PURCHASED]:

(a) The Successor Agency agrees to pay to the 2015 Bond Insurer a sum equal to the total of all amounts paid by the 2015 Bond Insurer allocable to unpaid debt service on the Insured Series 2015 Bonds under the 2015 Bond Insurance Policy (the “**Insurer Advances**”); and interest on Insurer Advances from the date paid by the 2015 Bond Insurer until payment thereof in full, payable to the 2015 Bond Insurer at the Late Payment Rate per annum (collectively, the “**Insurer Reimbursement Amounts**”). “**Late Payment Rate**” means the lesser of (1) the greater of (A) 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 (any change in the rate of interest to be effective on the date the change is announced by JPMorgan Chase Bank) plus 3.00%, and (B) the then-applicable highest rate of interest on the Insured Series 2015 Bonds and (2) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate will be computed on the basis of the actual number of days elapsed over a year of 360 days. The Successor Agency hereby covenants and agrees that the Insurer Reimbursement Amounts are payable from, and secured by a lien on and pledge of, the Tax Revenues on a parity debt service due on the Insured Series 2015 Bonds.

(b) The 2015 Bond Insurer will, to the extent it makes any payment of principal of or interest on the Insured Series 2015 Bonds, become subrogated to the rights of the recipients of the payments in accordance with the terms of the 2015 Bond Insurance Policy. Each obligation of the Successor Agency to the 2015 Bond Insurer under the Related Documents will survive discharge or termination of the Related Documents.

(c) The Successor Agency will pay or reimburse the 2015 Bond Insurer any and all charges, fees, costs and expenses allocable to unpaid debt service on the Insured Series 2015 Bonds that the 2015 Bond Insurer may reasonably pay or incur in connection with (1) the administration, enforcement, defense, or preservation of any rights or security in any Related Document; (2) the pursuit of any remedies under this Indenture or any other Related Document or otherwise afforded by law or equity; (3) any amendment, waiver, or other action with respect to, or related to, this Indenture or any other Related Document whether or not executed or completed; or (4) any litigation or other dispute in connection with this Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the 2015 Bond Insurer to honor its obligations under the 2015 Bond Insurance Policy. The 2015 Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver, or consent proposed in respect of this Indenture or any other Related Document.

(d) The Successor Agency will permit the 2015 Bond Insurer to discuss the affairs, finances, and accounts of the Successor Agency or any information the 2015 Bond Insurer may reasonably request regarding the security for the Insured Series 2015 Bonds with appropriate officers of the Successor Agency and will use commercially reasonable efforts to enable the 2015 Bond Insurer to have access to the facilities, books, and records of the Successor Agency on any Business Day upon reasonable prior notice.

(c) The Trustee will notify the 2015 Bond Insurer of any failure of the Successor Agency to provide notices, certificates, and other information under the Related Documents.

(d) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in this Indenture, no issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless the default will be cured by the issuance and (2) unless the Successor Agency's Reserve Account is fully funded at the Reserve Account Requirement (including the proposed issue) upon the issuance of the Additional Bonds, in either case unless otherwise permitted by the 2015 Bond Insurer.

(e) In determining whether any amendment, consent, waiver, or other action to be taken, or any failure to take action, under this Indenture would adversely affect the security for the Insured Series 2015 Bonds or the rights of the Owners, the Trustee will consider the effect of the amendment, consent, waiver, action, or inaction as if there were no Insurance Policy.

(f) No contract may be entered into or any action taken by which the rights of the 2015 Bond Insurer or security for or sources of payment of the Insured Series 2015 Bonds will be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the 2015 Bond Insurer, which consent may not be unreasonably withheld.

Section 12.16 Bond Insurer Notice Provisions. The Bond Insurer will be provided with the following information by the Successor Agency or the Trustee, as the case may be:

[INCLUDED AS EXAMPLE OF TERMS; SUBJECT TO ACTUAL INSURER TERMS IF A POLICY IS PURCHASED]:

(a) Annual audited financial statements as part of the Annual Report (as defined in the Continuing Disclosure Agreement) together with a statement in the Successor Agency's Annual report to the effect that it is not aware of any default or Event of Default under the Indenture. The audited financial statements of the Successor Agency may be submitted separately from the balance of the Annual Report, and later than the date required for the filing of the Annual Report, as soon as is practicable if they are not available by that date.

(b) Other information, data, or reports as the Bond Insurer may reasonably request from time to time.

(c) Notice of any draw upon the Successor Agency's Reserve Account, to be given within two Business Days after knowledge thereof, other than (1) withdrawals of amounts in excess of the applicable Reserve Account Requirement and (2) withdrawals in connection with a refunding of the Bonds.

(d) Notice of any default known to the Trustee, to be given within five Business Days after knowledge thereof.

(e) Prior notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof.

(f) Notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto.

(g) Notice of the commencement of any proceeding by or against the Successor Agency under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation, or similar law (an **"Insolvency Proceeding"**).

(h) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds.

(i) A full original transcript of all proceedings relating to the execution of any amendment, or supplement to, or waiver of, the Related Documents.

(j) All reports, notices and correspondence to be delivered to Owners under the terms of the Related Documents.

(k) In addition, to the extent that the Successor Agency has entered into a continuing disclosure certificate, covenant, or undertaking with respect to the Bonds, all information furnished pursuant to those documents will also be provided to the Bond Insurer, simultaneously with the furnishing of the information.

(l) The Bond Insurer has the right to receive any additional information it may reasonably request.

Notwithstanding the foregoing, the Bond Insurer agrees to receive notice, and will be deemed to have received notice in satisfaction of the provisions set forth in this Section 12.16, by filings made (or caused to be made) by the Successor Agency through the Electronic Municipal Market Access website of the MSRB, currently located at <http://emma.msrb.org>. The Successor Agency, as applicable, will use good faith efforts to provide notice (by U.S. Mail, first-class postage prepaid, or by facsimile transmission or electronic mail) of the filings to the Bond Insurer.

Section 12.17 Bond Insurer as Third-Party Beneficiary. The Bond Insurer is hereby expressly made a third-party beneficiary of this Indenture and each of the other Related Documents.

Section 12.18 California Law. This Indenture of Trust is to be construed and governed in accordance with the laws of the State of California.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Successor Agency and the Trustee have entered into this Indenture of Trust by their officers thereunto duly authorized as of the day and year first above written.

**REDEVELOPMENT AGENCY SUCCESSOR
AGENCY**

By: _____
[Authorized Officer]

ATTEST:

By: _____
Redevelopment Agency Successor Agency
Clerk

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Officer

[Signature page to Indenture of Trust]

APPENDIX A

[FORM OF BOND]

No. _____

\$ _____

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
2015 TAX ALLOCATION REFUNDING BONDS
SERIES [A (TAX-EXEMPT)][B (FEDERALLY TAXABLE)]**

BOND DATE: _____, 2015 **MATURITY DATE:** [December] 1, 20__ **RATE OF INTEREST:** **CUSIP NO.**

Registered Owner: CEDE & CO.

Principal Amount:

THE REDEVELOPMENT AGENCY SUCCESSOR AGENCY (RASA) aka Successor Agency to the Redevelopment Agency of the City of Sacramento, a public body, corporate and politic, duly organized and existing under and pursuant to the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, on the Maturity Date specified above the Principal Amount specified above, together with interest thereon from the Interest Payment Date next preceding the date of registration thereof, unless such date of registration is during the period from the 16th day of the month next preceding an Interest Payment Date to and including such Interest Payment Date, in which event they shall bear interest from such Interest Payment Date, or unless such date of registration is on or before _____ 1, 20__, in which event they shall bear interest from their dated date; provided, however, that if, at the time of registration of any Series 2015 Bond, interest is then in default on the Outstanding Series 2015 Bonds, such Series 2015 Bond shall bear interest from the Interest Payment Date to which interest previously has been paid or made available for payment, at the Rate of Interest specified above, payable on _____ 1, 20__ and semiannually thereafter on [June] 1 and [December] 1 in each year. Both the interest hereon and principal hereof are payable in lawful money of the United States of America.

Payment of the interest on any Bond shall be made to the Person whose name appears on the Bond Register as the Owner thereof as of the Record Date, such interest to be paid by check mailed by first class mail on the Interest Payment Date to the Owner at the address which appears on the Bond Register as of the Record Date for that purpose; except that in the case of an Owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Bonds, upon written request of such Owner to the Trustee, in form satisfactory to the Trustee, received not later than the Record Date, such interest shall be paid on the Interest Payment Date in immediately available funds by wire transfer. The principal of and redemption premium, if any, on the Bonds shall be payable at the Principal Corporate Trust Office of the Trustee upon presentation and surrender of such Bonds. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Any interest not punctually paid or duly provided for, as a result of an Event of Default or otherwise, shall forthwith cease to be payable to the Owner on the Record Date and shall be paid to the Owner in whose name the Bond is authenticated at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof being given to the Owners not less than ten (10) days prior to such Special Record Date.

This Bond is a duly authorized issue of Successor Agency to the Redevelopment Agency of the City of Sacramento 2015 Tax Allocation Refunding Bonds, Series [A (Tax-Exempt)][B (Federally Taxable)] (the “Series 2015[A][B] Bonds”), limited in aggregate principal amount to \$[_____] [_____] all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions), all issued under the provisions of the Community Redevelopment Law of the State of California, as amended including, without limitation, by Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) (the “Law”), and pursuant to the provisions of the Indenture of Trust, dated as of ____ 1, 2015, between the Successor Agency and U.S. Bank National Association, as trustee (the “Indenture”). Simultaneously with the issuance of the Series 2015[A][B] Bonds, the Successor Agency is issuing its Successor Agency to the Redevelopment Agency of the City of Sacramento 2015 Tax Allocation Refunding Bonds, Series [B (Federally Taxable)][A (Tax-Exempt)] (the “Series 2015[B][A] Bonds”), in the aggregate principal amount of \$[_____] [_____]. The Series 2015A Bonds are on a parity with the Series 2015B Bonds. Pursuant to and as more particularly provided in the Indenture, Additional Bonds may be issued by the Successor Agency payable from Tax Revenues as provided in the Indenture on a parity with the Series 2015A Bonds and the Series 2015B Bonds. The Series 2015A Bonds and the Series 2015B Bonds and any Additional Bonds are collectively referred to as the “Bonds.”

All Bonds are equally and ratably secured in accordance with the terms and conditions of the Indenture, and reference is hereby made to the Indenture, to any resolutions supplemental thereto and to the Law for a description of the terms on which the Bonds are issued, for the provisions with regard to the nature and extent of the security provided for the Bonds and of the nature, extent and manner of enforcement of such security, and for a statement of the rights of the registered Owners; and all the terms of the Indenture and the Law are hereby incorporated herein and constitute a contract between the Successor Agency and the registered owner from time to time of this Bond, and to all the provisions thereof the registered owner of this Bond, by his acceptance hereof, consents and agrees. Each registered owner hereof shall have recourse to all the provisions of the Law and the Indenture and shall be bound by all the terms and conditions thereof.

The Bonds are issued to provide funds to aid in refunding outstanding obligations of the Successor Agency, as more particularly described in the Indenture. The Bonds are special obligations of the Successor Agency and are payable, as to interest thereon, principal thereof and any premiums upon the redemption thereof, exclusively from the Tax Revenues (as that term is defined in the Indenture and herein called the “Tax Revenues”), and the Successor Agency is not obligated to pay them except from the Tax Revenues. The Bonds are equally secured by a pledge of, and charge and lien upon, the Tax Revenues, and the Tax Revenues constitute a trust fund for the security and payment of the principal of, premium, if any, and the interest on the Bonds.

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

The Bond shall be subject to redemption on the dates, in the amounts and in the manner provided therefor in the Indenture.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture; except that the Indenture provides that in certain events such declaration and its consequences may be rescinded by the registered owners of at least twenty-five per cent (25%) in aggregate principal amount of the Bonds then Outstanding.

The Bonds are issuable only in the form of fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof (not exceeding the principal amount of Bonds maturing at any one time). The owner of any Bond or Bonds may surrender the same at the above-mentioned office of the Trustee in exchange for an equal aggregate principal amount of fully registered Bonds of any other authorized denominations, in the manner, subject to the conditions and upon the payment of the charges provided in the Indenture.

This Bond is transferable, as provided in the Indenture, only upon a register to be kept for that purpose at the above-mentioned office of the Trustee by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon a new fully registered Bond or Bonds, in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Successor Agency and the Trustee may deem and treat the Person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the interest hereon and principal hereof and redemption premium, if any, hereon and for all other purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

The rights and obligations of the Successor Agency and of the registered Owners may be amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such amendment shall (1) extend the maturity of this Bond, or reduce the interest rate hereon, or otherwise alter or impair the obligation of the Successor Agency to pay the interest hereon or principal hereof or any premium payable on the redemption hereof at the time and place and at the rate and in the currency provided herein, without the express written consent of the registered owner of this Bond, or (2) permit the creation by the Successor Agency of any mortgage, pledge or lien upon the Tax Revenues superior to or on a parity with the pledge and lien created in the Indenture for the benefit of the Bonds and all additional tax allocation bonds authorized by the Indenture or (3) reduce the percentage of Bonds required for the written consent to an amendment of the Indenture, or (4) modify any rights or obligations of the Trustee without its prior written assent thereto; all as more fully set forth in the Indenture.

This Bond is not a debt of the City of Sacramento, the County of Sacramento, the State of California or any other political subdivision of the State, and neither said City, said State, said County nor any of the State's other political subdivisions is liable therefor, nor in any event shall this Bond be payable out of any funds or properties other than those of the Successor Agency pledged therefor as provided in the Indenture. This Bond does not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction, and neither the members of the Successor Agency nor any persons executing this Bond is liable personally on this Bond by reason of its issuance.

This Bond shall not be entitled to any benefits under the Indenture or become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been signed by the Trustee.

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

been performed in due time, form and manner as required by law and that the amount of this Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Constitution or laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

IN WITNESS WHEREOF, the Redevelopment Agency Successor Agency has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of City Treasurer and the Redevelopment Agency Successor Agency Clerk, each acting for and in the name of the Redevelopment Agency Successor Agency and has caused this Bond to be dated the Bond Date first set forth above.

**REDEVELOPMENT AGENCY SUCCESSOR
AGENCY**

By: _____
[Treasurer]

ATTEST:

By: _____
Redevelopment Agency Successor Agency
Clerk

**[FORM OF TRUSTEE CERTIFICATE OF AUTHENTICATION
AND REGISTRATION TO APPEAR ON BONDS]**

This is one of the Bonds described in the within mentioned Indenture, which has been authenticated and registered on the date set forth below.

DATED: _____

U.S. BANK NATIONAL ASSOCIATION, as trustee

By: _____
Authorized Officer

[FORM OF ASSIGNMENT TO APPEAR ON BONDS]

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned registered Bond and do(es) hereby irrevocably constitute and appoint _____ attorney to transfer the same on the bond register of the Trustee, with full power of substitution in the premises.

Date: _____

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Notice: Signature must be guaranteed by an eligible guarantor institution.

APPENDIX B

**SCHEDULE OF SEMI-ANNUAL AND ANNUAL INTEREST AND
PRINCIPAL PAYMENTS OF THE BONDS**

§ _____
**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
2015 TAX ALLOCATION REFUNDING BONDS
SERIES A (TAX-EXEMPT)**

and

§ _____
**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
2015 TAX ALLOCATION REFUNDING BONDS
SERIES B (FEDERALLY TAXABLE)**

BOND PURCHASE AGREEMENT

_____, 2015

Redevelopment Agency Successor Agency of the
dissolved Redevelopment Agency of the City of Sacramento
915 I Street
Historic City Hall, Third Floor
Sacramento, California 95814

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company, Incorporated, acting on behalf of itself and Morgan Stanley & Co. LLC (collectively, the “**Underwriter**”), offers to enter into this Bond Purchase Agreement (this “**Purchase Agreement**”) with the Redevelopment Agency Successor Agency of the dissolved Redevelopment Agency of the City of Sacramento (the “**Successor Agency**”), which will be binding upon the Successor Agency and the Underwriter upon the Successor Agency’s acceptance. This offer is made subject to its acceptance by the Successor Agency by execution of this Purchase Agreement and its delivery to the Underwriter on or before 5:00 p.m., California time, on the date of this Purchase Agreement, set out above. All terms used herein and not otherwise defined have the meanings given to them in the Indenture (as defined in Section 2 below).

The Successor Agency acknowledges and agrees that (a) the purchase and sale of the Bonds (as defined in Section 1(b) below) under this Purchase Agreement is an arm’s-length commercial transaction between the Successor Agency and the Underwriter; (b) in connection with that transaction and with the discussions, undertakings, and procedures leading up to the consummation of the transaction, the Underwriter is and has been acting solely as principal and is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) and has not assumed a fiduciary responsibility in favor of the Successor Agency with respect to the offering of the Bonds or the process leading thereto (whether

or not the Underwriter has advised or is currently advising the Successor Agency on other matters); (c) the only obligations the Underwriter has to the Successor Agency with respect to that transaction are those expressly set forth in this Purchase Agreement; (d) the Successor Agency has consulted its own legal, financial, and other advisors to the extent it has deemed appropriate; (e) the Underwriter has financial interests that may differ from, and be adverse to, those of the Successor Agency; and (f) the Underwriter has provided the Successor Agency with certain disclosures required under the rules of the Municipal Securities Rulemaking Board (the “MSRB”).

1. Purchase and Sale.

(a) Upon the terms and conditions and upon the basis of the representations, warranties, and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the Successor Agency for offering to the public, and the Successor Agency hereby agrees to sell to the Underwriter for that purpose, all (but not less than all) of—

(1) the \$_____ aggregate principal amount of the Successor Agency to the Redevelopment Agency of the City of Sacramento 2015 Tax Allocation Refunding Bonds, Series A (Tax-Exempt) (the “**Series 2015A Bonds**”) at a purchase price equal to \$_____ (being the aggregate principal amount thereof, less an Underwriter’s discount of \$_____ and plus an original issue premium of \$_____); and

(2) the \$_____ aggregate principal amount of the Successor Agency to the Redevelopment Agency of the City of Sacramento 2015 Tax Allocation Refunding Bonds, Series B (Federally Taxable) (the “**Taxable Series 2015B Bonds**”) at a purchase price equal to \$_____ (being the aggregate principal amount thereof, less an Underwriter’s discount of \$_____ and plus an original issue premium of \$_____).

(b) The Series 2015A Bonds and the Taxable Series 2015B Bonds are the “**Bonds.**” The payment for, and delivery of, the Bonds and the other actions contemplated by this Purchase Agreement to take place at the time of such payment and delivery are herein sometimes called the “**Closing.**” At the request of the Successor Agency, on the Closing Date (as defined in Section 6 below), the Underwriter will wire to _____ (the “**Insurer**”) an amount equal to \$_____, representing the sum of the premiums for the bond-insurance policy (the “**Policy**”) and debt-service-reserve surety bond (the “**Surety Bond**”), in each case to be issued by the Insurer simultaneously with the issuance of the Bonds, as described in greater detail in Section 2(b) below. As a result, the net amount the Underwriter will wire to the Successor Agency in connection with the purchase of the Bonds will be \$_____.

(c) Simultaneously with the sale of the Bonds, the Sacramento City Financing Authority (the “**Authority**”) expects to issue and sell \$_____ aggregate principal amount of its 2015 Refunding Revenue Bonds (Master Lease Program Facilities) (the “**Series 2015 Refunding Revenue Bonds**”) and, together with the Bonds, the “**Offered Bonds**”), the

issuance of which Series 2015 Refunding Revenue Bonds shall be a condition of this Purchase Agreement.

2. **The Bonds and Related Documents.** The Bonds will be issued under the following: an Indenture of Trust (the “**Indenture**”), dated as of _____ 1, 2015, between the Successor Agency and U.S. Bank National Association, as trustee (the “**Trustee**”); Parts 1, 1.8, and 1.85 of Division 24 of the California Health and Safety Code (the “**Law**”); Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “**Refunding Law**”); and a resolution of the Successor Agency authorizing the issuance of the Bonds, adopted on _____, 2015 (the “**Successor Agency Resolution**”). The issuance of the Bonds was approved by the Oversight Board for the Successor Agency by resolution adopted on _____, 2015 (the “**Oversight Board Resolution**”). The Official Statement (as defined below) was approved by a resolution of the Successor Agency adopted on _____, 2015 (the “**Successor Agency Official Statement Resolution**”). The terms of the Bonds and the security therefor will be as described in the Indenture and in the Official Statement dated the Effective Date (defined in Section 4 below) relating to the Bonds (which, together with all exhibits and appendices included therein or attached thereto and any amendments or supplements thereto that are approved by the Underwriter, is the “**Official Statement**”).
- (a) The net proceeds of the Series 2015A Bonds will be used to refund and discharge certain outstanding obligations (the “**Series 2015A Defeased Obligations**”) of the former Redevelopment Agency of the City of Sacramento (the “**Dissolved Agency**”), and the net proceeds of the Taxable Series 2015B Bonds will be used to refund and discharge certain outstanding obligations (together with the Series 2015A Defeased Obligations, the “**Defeased Obligations**”) of the Dissolved Agency.
- (b) The payment of principal and interest when due on the Series 2015A Bonds maturing on December 1, 20__, and on December 1 of each year thereafter up to and including December 1, 20__, and the Taxable Series 2015B Bonds maturing on December 1, 20__, and on December 1 of each year thereafter up to and including December 1, 20__, will be guaranteed by the Policy. The Surety Bond will be deposited in the Reserve Account for the Bonds under the Indenture.
- (c) As required by the Continuing Disclosure Certificate, dated as of _____ 1, 2015, and executed by the Successor Agency (the “**Disclosure Certificate**”), the Successor Agency will provide certain annual information and notices of the occurrence of certain enumerated events. A description of the undertaking is set forth in the Preliminary Official Statement (as defined in Section 4 below) and will also be set forth in the Official Statement.
- (d) The “**Successor Agency Legal Documents**” consist of the Indenture, the Disclosure Certificate, this Purchase Agreement, and the several Escrow Instructions] dated as of _____ 1, 2015, given by the Successor Agency to the respective prior trustees named therein (each an “**Escrow Bank**”) and relate to the deposit of funds to be held in escrow for the refunding and discharge of the Defeased Obligations (collectively, the “**Escrow Instructions**”).

3. **Offering.** The Successor Agency's obligations to sell and to deliver the Bonds to the Underwriter and the Underwriter's obligations to purchase, to accept delivery of, and to pay for the Bonds are subject to the condition that the entire \$ _____ aggregate principal amount of the Series 2015A Bonds and the entire \$ _____ aggregate principal amount of the Taxable Series 2015B Bonds be issued, sold, and delivered by the Successor Agency and purchased, accepted, and paid for by the Underwriter at the Closing. The Underwriter agrees to make a bona fide public offering of all of the Bonds at the initial public-offering prices or yields set forth in Exhibit A to this Purchase Agreement and on the inside front cover page of the Official Statement. After the initial public offering, the Underwriter may change the initial offering prices as it deems necessary in connection with the marketing of the Bonds.

4. **Use and Preparation of Documents.** The Successor Agency has caused to be prepared and delivered to the Underwriter, before the execution of this Purchase Agreement, copies of the Preliminary Official Statement dated _____, 2015 (the "**Preliminary Official Statement**"). The Successor Agency hereby ratifies, confirms, and approves the Underwriter's use of the Preliminary Official Statement before the date on which an authorized officer of the Successor Agency executes the acceptance of this Purchase Agreement (the "**Effective Date**"). The Successor Agency has previously deemed the Preliminary Official Statement to be final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("**Rule 15c2-12**"), except for information permitted to be omitted therefrom by Rule 15c2-12. The Successor Agency agrees to execute and deliver to the Underwriter a certification to that effect in the form attached as Exhibit B to this Purchase Agreement. The Successor Agency agrees to deliver or cause to be delivered to the Underwriter all of the following not later than the earlier of the business day preceding the Closing Date (defined in Section 6) or the seventh business day following the Effective Date: the form of the Official Statement relating to the Bonds in "designated electronic format" (as defined in MSRB Rule G-32); and printed copies of the Official Statement, dated the Effective Date, in the form of the Preliminary Official Statement with any changes the Underwriter may approve, in any quantity as the Underwriter may reasonably request. The Successor Agency approves of the Underwriter's distribution and use of the Official Statement in connection with the offer and sale of the Bonds. The Preliminary Official Statement and the Official Statement may be distributed in printed or electronic form to the extent permitted by applicable rules of the MSRB. The Underwriter agrees that it will not confirm the sale of any Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the Official Statement (which may be in electronic form).

5. **Representations, Warranties, and Agreements of the Successor Agency.** The Successor Agency hereby represents, warrants, and agrees as follows:
 - (a) The Successor Agency is a public entity existing under the Constitution and laws of the State of California, including the Law.
 - (b) The Successor Agency has full legal right, power, and authority to enter into the Successor Agency Legal Documents and to carry out and consummate the transactions contemplated by the Successor Agency Legal Documents.

- (c) By all necessary official action of the Successor Agency taken before or concurrently with its acceptance of this Purchase Agreement, the Successor Agency has duly authorized and approved the preparation and use of the Preliminary Official Statement and the Official Statement, the execution and delivery of the Official Statement and the Successor Agency Legal Documents, and the performance by the Successor Agency of all transactions contemplated by the Successor Agency Legal Documents; and the Successor Agency Legal Documents will constitute legal, valid, and binding obligations of the Successor Agency, enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or limiting creditors' rights generally.
- (d) The Successor Agency is not in any material respect in breach of, or default under, any applicable constitutional provision, law, or administrative regulation to which it is subject or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement (including the Indenture) or other instrument to which the Successor Agency is a party or to which the Successor Agency or any of its property or assets is otherwise subject, and no event has occurred and is continuing that with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument. The execution and delivery of the Successor Agency Legal Documents, and the Successor Agency's compliance with the Successor Agency Legal Documents, will not conflict with or constitute a material breach of, or a material default under, any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the Successor Agency is a party or to which the Successor Agency or any of its property or assets is otherwise subject, nor will any such execution, delivery, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the Successor Agency's property or assets or under any such constitutional provision, law, regulation, or instrument, except as provided by the Indenture.
- (e) As used in this Section 5(e), "Government Approvals" means all authorizations, approvals, licenses, permits, consents, and orders of any governmental authority, board, agency, or commission with jurisdiction over the matter. The Successor Agency has obtained all Governmental Approvals (1) that are required for the due authorization of its obligations under the Successor Agency Legal Documents; (2) that would constitute a condition precedent to its obligations under the Successor Agency Legal Documents; and (3) that would, if absent, materially adversely affect the due performance of its obligations under the Successor Agency Legal Documents.
- (f) Between the Effective Date and the Closing Date, the Successor Agency will not, without the Underwriter's prior written consent, offer or issue any bonds, notes, or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from Tax Revenues.

- (g) To the current, actual knowledge of the officer of the Successor Agency who executes this Purchase Agreement, as of the Effective Date the Successor Agency has not been served with process in, and has not been overtly threatened with, any action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, government agency, public board, or public body—
- (1) in which an unfavorable decision, ruling, or finding would affect the existence of the Successor Agency or the titles of its officers to their offices;
 - (2) that seeks to prohibit, restrain, or enjoin the execution and delivery of the Indenture or the collection of the Tax Revenues;
 - (3) that contests, as to the Successor Agency, the validity or enforceability of the Successor Agency Legal Documents;
 - (4) that contests the exclusion from gross income of interest on the Series 2015A Bonds for federal income-tax purposes;
 - (5) that contests the completeness or accuracy of the Preliminary Official Statement or the Official Statement;
 - (6) that contests the powers of the Successor Agency or in any way contests or challenges the consummation of the transactions contemplated by this Purchase Agreement; or
 - (7) that might result in a material adverse change in the financial condition of the Successor Agency or might materially adversely affect the Tax Revenues of the Successor Agency.
- (h) To the current, actual knowledge of the Successor Agency, there is no basis for any action, suit, proceeding, inquiry, or investigation of the type listed in Section 5(g) in which an unfavorable decision, ruling, or finding would materially adversely affect the validity of the Successor Agency's authorization, execution, delivery, or performance of the Successor Agency Legal Documents.
- (i) The Official Statement accurately describes, as of the Closing Date, all of the outstanding bonds and other indebtedness of the Successor Agency and their relative priority in relation to the lien provided for in the Indenture on the Tax Revenues.
- (j) As of the Effective Date and as of the Closing Date, the Successor Agency has complied with the filing requirements of the Law, including the filing of all Recognized Obligation Payment Schedules.
- (k) As of the Effective Date and as of their dates, the Preliminary Official Statement (excluding pricing information and information relating to the Policy and the Surety Bond) and the Official Statement did not and do not contain any untrue statement of a

material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

- (l) As of the its date and at all times after its date, to and including the date that is 25 days after the End of the Underwriting Period (defined in Section 5(m) below) for the Bonds, the Official Statement (including any amendment or supplement to the Official Statement as contemplated in Section 5(m) below) did not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.
- (m) If, between the Effective Date and the date that is 25 days after the End of the Underwriting Period, an event occurs that would cause the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, the Successor Agency will notify the Underwriter, and, if in the opinion of the Underwriter or the Successor Agency, or their counsel, the event requires the preparation and publication of a supplement or amendment to the Official Statement, then the Successor Agency will cooperate in the preparation of an amendment or supplement to the Official Statement in a form and manner approved by the Underwriter and will pay all expenses thereby incurred. For the purposes of this Section 5(m), between the Effective Date and the date that is 25 days after the End of the Underwriting Period, the Successor Agency will furnish such information with respect to itself as the Underwriter may from time to time reasonably request. **“End of the Underwriting Period”** means the Closing Date unless the Underwriter gives the Successor Agency written notice to the contrary, in which case it means the later of (1) the date the Successor Agency delivers the Bonds to the Underwriter and (2) the date the Underwriter no longer retains, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public.
- (n) If the Official Statement is amended or supplemented under Section 5(m) above, then, on the date of each supplement or amendment and (unless subsequently supplemented or amended again under Section 5(m)) at all times after that date, up to and including the date that is 25 days after the End of the Underwriting Period, the portions of the Official Statement so supplemented or amended (including any financial and statistical data) will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading.
- (o) After the Closing, the Successor Agency will not participate in the issuance of any amendment or supplement to the Official Statement if, after being furnished with a copy, the Underwriter reasonably objects to the amendment or supplement in writing or the Underwriter’s counsel disapproves of the amendment or supplement in writing.

- (p) Any certificate signed by any officer of the Successor Agency and delivered to the Underwriter will be deemed a representation by the Successor Agency to the Underwriter as to the statements made in the certificate.
- (q) The Successor Agency will apply the proceeds from the sale of the Bonds for the purposes specified in the Official Statement.
- (r) The Successor Agency has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that neither the Dissolved Agency, nor the Successor Agency, nor the City of Sacramento (the "City") is a bond issuer whose arbitrage certifications may not be relied upon.
- (s) The Successor Agency will furnish all information, execute all instruments, and take all other action in cooperation with the Underwriter, at the Underwriter's expense, as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the "blue sky" or other securities laws and regulations of any states and other jurisdictions of the United States of America the Underwriter may designate, except that the Successor Agency is not required to execute a special or general consent to service of process or to qualify as a foreign corporation in connection with any such qualification in any jurisdiction.
- (t) The Successor Agency will refrain from taking any action over which it exercises control that results in the inclusion in gross income (1) of the interest on the Series 2015A Bonds for federal income-tax purposes or (2) of the interest on the Bonds for California income-tax purposes.
- (u) Except as disclosed in the Official Statement, each of the Successor Agency, the Dissolved Agency, the City, and the Authority has not failed during the past five years to comply in all material respects with any prior continuing-disclosure undertaking.
- (v) The Oversight Board has duly adopted the Oversight Board Resolution approving the issuance of the Bonds, and no further Oversight Board approval or consent is required for the issuing of the Bonds or the consummation of the transactions described in the Preliminary Official Statement.
- (w) The Department of Finance of the State of California (the "**Department of Finance**") has issued a letter dated _____, 2015, approving the Oversight Board Resolution approving the issuance of the Bonds (the "**DOF Letter**"). No further Department of Finance approval or consent is required for the issuance of the Bonds or the consummation of the transactions described in the Preliminary Official Statement. Except as disclosed in the Preliminary Official Statement, the Successor Agency is not aware of the Department of Finance directing or having any basis to direct the Sacramento County Auditor-Controller to deduct unpaid unencumbered funds from future allocations of property tax to the Successor Agency under section 34183 of the California Health and Safety Code.

6. **Closing.** At 8:00 A.M., California time, on _____, 2015, or on such other date as may be agreed upon by the Successor Agency and the Underwriter (the “**Closing Date**”), the Successor Agency will, subject to the terms and conditions of this Purchase Agreement, sell and deliver the Bonds to the Underwriter, duly executed and authenticated, together with the other documents hereinafter mentioned; and, subject to the terms and conditions of this Purchase Agreement, the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 above in federal funds. Sale, delivery, and payment will occur at the offices of Orrick, Herrington & Sutcliffe LLP, Sacramento, California, (“**Bond Counsel**”) or such other place as agreed upon by the Successor Agency and the Underwriter, except that the Bonds (with one certificate for each maturity and otherwise in a form suitable for the book-entry system) will be delivered to the Underwriter through the book-entry system of The Depository Trust Company (“**DTC**”). Unless the DTC Fast Automated Securities Transfer (“**FAST**”) is used, the Bonds will be made available for inspection by DTC at least one business day before the Closing.
7. **Closing Conditions.** The Underwriter has entered into this Purchase Agreement in reliance upon the following as of both the Effective Date and the Closing Date: the Successor Agency’s representations and warranties in Section 5 above and in the documents and instruments to be delivered at the Closing, and the Successor Agency’s performance of its obligations under this Purchase Agreement. Accordingly, the Underwriter’s obligations under this Purchase Agreement to purchase, to accept delivery of, and to pay for the Bonds will be conditioned upon the Successor Agency’s performance of its obligations under this Purchase Agreement and under such documents and instruments at or before the Closing, and will also be subject to the following additional conditions:
- (a) The Underwriter must receive, within seven business days after the Effective Date, but in no event less than one day before the Closing, copies of the Official Statement (including all information previously permitted to have been omitted from the Preliminary Official Statement by Rule 15c2-12 and any amendments or supplements as have been approved by the Underwriter) in such reasonable quantity as the Underwriter requests.
 - (b) The representations and warranties of the Successor Agency in Section 5 above must be complete and accurate on the Effective Date and on and as of the Closing Date as if made on the Closing Date, and the statements of the officers and other officials of the Successor Agency and the Trustee made in any certificate or other document furnished under this Purchase Agreement must be complete and accurate.
 - (c) At the time of the Closing, the Successor Agency Legal Documents must have been duly authorized, executed, and delivered by the relevant parties, and the Official Statement must have been duly authorized, executed, and delivered by the Successor Agency, each in substantially the form previously submitted to the Underwriter with only the changes that the Underwriter has approved in writing, and each in full force and effect. The resolution or resolutions of the Successor Agency’s governing body that, in the opinion of Bond Counsel, are necessary or appropriate for the transactions contemplated under this Purchase Agreement must be in full force and effect.

- (d) At the time of the Closing, (1) all necessary official action of the Successor Agency relating to the Official Statement and the Successor Agency Legal Documents must have been taken, and the Official Statement and the Successor Agency Legal Documents must be in full force and effect and must not have been amended, modified, or supplemented in any material respect; (2) all necessary official action of the Authority relating to the issuance and sale of the Series 2015 Refunding Revenue Bonds must have been taken, and the official statement and the legal documents must relating thereto must be in full force and effect and must not have been amended, modified, or supplemented in any material respect; and (3) all necessary official action of the City relating to the issuance and sale of the Series 2015 Refunding Revenue Bonds must have been taken, and the official statement and the legal documents must relating thereto must be in full force and effect and must not have been amended, modified, or supplemented in any material respect.
- (e) At or before the Closing, the Underwriter must have received copies of each of the following documents:
- (1) *Bond Counsel Final Opinion*. The approving opinion of Bond Counsel dated as of the Closing Date and substantially in the form included as Appendix C to the Official Statement.
 - (2) *Supplemental Opinion of Bond Counsel*. A supplemental opinion or opinions of Bond Counsel addressed to the Underwriter, in form and substance acceptable to the Underwriter and dated as of the Closing Date, stating that the Underwriter may rely on the opinion of Bond Counsel described in Section 7(e)(1) above as if such opinion were addressed to the Underwriter, and to the following effect:
 - (A) The Purchase Agreement has been duly executed and delivered by the Successor Agency and (assuming due authorization, execution, and delivery by, and validity against, the Underwriter) constitutes the valid and binding agreement of the Successor Agency, except as enforcement may be limited by bankruptcy, insolvency, or other laws affecting enforcement of creditors' rights or by the application of equitable principles.
 - (B) The statements in the Official Statement under the captions "THE BONDS," "SECURITY FOR THE BONDS," and "TAX MATTERS," and the statements in Appendices B and C, insofar as the statements expressly summarize certain provisions of the Bonds, the Indenture, or the opinion of Bond Counsel, are complete and accurate in all material respects.
 - (C) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the "**Securities Act**"), and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.
 - (3) *Financial Advisor Certificate*. A certificate signed by an authorized officer of First Southwest Company, LLC, the Successor Agency's Financial Advisor (the "**Financial**

Advisor”), addressed to the Underwriter and the Successor Agency and dated as of the Closing Date, to the following effect: nothing has come to the Financial Advisor’s attention in connection with its role in the preparation of the Official Statement (although the Financial Advisor has not conducted any investigation of its own) that would lead it to believe that the Official Statement, both as of date of the Official Statement and as of the Closing Date, contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

- (4) *Successor Agency Counsel Opinion.* An opinion of counsel to the Successor Agency to the following effect, dated as of the Closing Date and addressed to the Underwriter, and in form and substance acceptable to the Underwriter:
- (A) The Successor Agency is a public entity duly existing under the California law, including the Law, with full right, power, and authority to execute, deliver, and perform its obligations under the Successor Agency Legal Documents.
 - (B) The Successor Agency Resolution and the Successor Agency Official Statement Resolution were duly adopted at meetings of the Successor Agency, called and held according to law and with all public notice required by law, and at which a quorum was present and acting throughout; and the Successor Agency Resolution and the Successor Agency Official Statement Resolution are in full force and effect and have not been modified, amended, or rescinded.
 - (C) The Successor Agency Legal Documents have been duly authorized, executed, and delivered by the Successor Agency and, assuming due authorization, execution, and delivery by the other parties to them, constitute the valid, legal, and binding obligations of the Successor Agency enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, or other laws affecting enforcement of creditors’ rights or by the application of equitable principles if equitable remedies are sought.
 - (D) The execution and delivery of the Successor Agency Legal Documents and the Official Statement, and compliance with the Successor Agency Legal Documents, under the circumstances contemplated by them, do not and will not in any material respect—
 - (i) conflict with, or constitute the Successor Agency’s breach of, or default under, any agreement or other instrument to which the Successor Agency is a party or by which it is bound; and
 - (ii) constitute the Successor Agency’s violation or breach of, or default under, any existing law, regulation, court order, or consent decree to which the Successor Agency is subject.

- (E) Except as otherwise disclosed in the Official Statement, to the counsel's current, actual knowledge, the Successor Agency has not been served with process in, and has not been overtly threatened with, any action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or public body—
 - (i) that challenges the creation, organization, or existence of the Successor Agency or the validity of the Bonds or the Successor Agency Legal Documents;
 - (ii) that seeks to restrain or enjoin any of the transactions referred to in, or contemplated by, the Successor Agency Legal Documents or under which a determination adverse to the Successor Agency would have a material adverse effect upon the Successor Agency's financial condition or revenues;
 - (iii) that in any manner questions the right of the Successor Agency to issue, sell, and deliver the Bonds, to enter into the Indenture, or to use the Tax Revenues for repayment of the Bonds; or
 - (iv) that affects in any manner the Successor Agency's the right or ability to collect or pledge the Tax Revenues.
- (5) *Trustee Counsel Opinion.* The opinion of counsel to the Trustee, dated as of the Closing Date and addressed to the Underwriter, to the following effect:
 - (A) The Trustee is a national banking association, duly organized and validly existing under the laws of the United States of America and having full power to enter into, accept, and administer the trusts created under the Indenture.
 - (B) The Indenture has been duly authorized, executed, and delivered by the Trustee, and the Indenture constitutes the legal, valid, and binding obligation of the Trustee, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights generally or by the application of equitable principles, if equitable remedies are sought.
 - (C) Except as may be required under blue-sky laws or other securities laws of any state, no consent, approval, authorization, or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the execution and delivery of the Indenture or for the consummation of the transactions contemplated by the Indenture.
- (6) *Escrow Bank Counsel Opinion.* The opinion of counsel to each Escrow Bank, dated as of the Closing Date and addressed to the Underwriter, to the following effect:

- (A) The Escrow Bank is a national banking association, duly organized and validly existing under the laws of the United States of America and having full power to enter into, accept, and administer the trusts created under the Escrow Instructions.
 - (B) The Escrow Instructions have been duly authorized, executed, and delivered by the Escrow Bank, and the Escrow Instructions constitute the legal, valid, and binding obligations of the Escrow Bank, enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights generally or by the application of equitable principles, if equitable remedies are sought.
 - (C) Except as may be required under blue-sky laws or other securities laws of any state, no consent, approval, authorization, or other action by any governmental or regulatory authority having jurisdiction over the Escrow Bank that has not been obtained is or will be required for the execution and delivery of the Escrow Instructions or for the consummation of the transactions contemplated by the Escrow Instructions.
- (6) *Successor Agency Certificate.* A certificate of the Successor Agency, dated as of the Closing Date and signed on behalf of the Successor Agency by a duly authorized officer of the Successor Agency, to the following effect:
- (A) The representations and warranties of the Successor Agency in Section 5 above are complete and accurate in all material respects on and as of the Closing Date as if made on the Closing Date.
 - (B) No event affecting the Successor Agency has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.
 - (C) No further consent is required to be obtained for the inclusion of the financial statement with respect to the Successor Agency for the Fiscal Year ending June 30, 2014, which is excerpted from the audited *City of Sacramento, California, Year End June 30, 2014 Comprehensive Annual Financial Report* as Appendix E to the Official Statement.
- (7) *Trustee's Certificate.* A certificate of the Trustee, dated as of the Closing Date, to the following effect:
- (A) The Trustee is a national banking association duly organized and validly existing under the laws of the United States of America.

- (B) The Trustee has full power, authority, and legal right to comply with the Indenture and to perform its obligations under it.
 - (C) The Indenture has been duly authorized, executed, and delivered by the Trustee and (assuming due authorization, execution, and delivery by the Successor Agency) constitute legal, valid, and binding obligations of the Trustee in accordance with its terms, except as the enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or limiting creditors' rights generally.
- (8) *Escrow Bank's Certificate.* A certificate of each Escrow Bank, dated as of the Closing Date, to the following effect:
- (A) The Escrow Bank is a national banking association duly organized and validly existing under the laws of the United States of America.
 - (B) The Escrow Bank has full power, authority, and legal right to comply with the Escrow Instructions and to perform its obligations under them.
 - (C) The Escrow Instructions have been duly authorized, executed, and delivered by the Escrow Bank and (assuming due authorization, execution, and delivery by the Successor Agency) constitute legal, valid, and binding obligations of the Escrow Bank in accordance with their terms, except as the enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or limiting creditors' rights generally.
- (8) *Legal Documents.* Executed copies of this Purchase Agreement and the other Successor Agency Legal Documents.
- (9) *Rating Letter.* Letters from Standard & Poor's Financial Services, LLC to the effect that the Bonds have been assigned a rating of "___," which rating must be in effect as of the Closing.
- (10) *Disclosure Letter.* A letter of Stradling Yocca Carlson & Rauth, P.C. ("**Disclosure Counsel**"), dated as of the Closing Date and addressed to the Underwriter, in form and substance acceptable to the Underwriter.
- (11) *Underwriter's Counsel Opinion.* The opinion of Jones Hall, A Professional Law Corporation ("**Underwriter's Counsel**"), dated as of the Closing Date and addressed to the Underwriter, to the following effect: based upon its participation in the preparation of the Official Statement and without having undertaken to determine independently the fairness, accuracy, or completeness of the statements in the Official Statement, Underwriter's Counsel has no reason to believe that, as of the Closing Date, the Official Statement (excluding the reports, financial and statistical data, and forecasts in it; the information included in its appendices; and any

information relating to DTC, as to which no advice need be expressed) contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

- (12) *Fiscal Consultant Certificate and Fiscal Consultant's Report.* A certificate of Fraser & Associates (the "**Fiscal Consultant**"), dated as of the Closing Date and addressed to the Successor Agency and the Underwriter, in form and substance acceptable to the Underwriter, by which the Fiscal Consultant (A) certifies the accuracy of the information in the Official Statement attributed to the Fiscal Consultant; (B) states that to the best of the Fiscal Consultant's knowledge, but without having conducted any investigation of its own, nothing has come to the Fiscal Consultant's attention between the date of the report prepared by it in connection with the issuance of the Bonds (the "**Fiscal Consultant's Report**") and the date of the certificate that would materially alter any of the conclusions set forth in the Fiscal Consultant's Report; (C) consents to the inclusion of the Fiscal Consultant's Report as an appendix to the Preliminary Official Statement and the Official Statement, together with a copy of the Fiscal Consultant's Report; and (D) certifies that, following the issuance of the Bonds, the total senior and subordinate debt service payable by the Successor Agency will not exceed applicable redevelopment plan limits.
- (13) *Successor Agency Resolution and Successor Agency Official Statement Resolution.* A certified copy of the Successor Agency Resolution and a certified copy of the Successor Agency Official Statement Resolution.
- (14) *Oversight Board Resolution.* A certified copy of the Oversight Board Resolution.
- (15) *Oversight Board Certificate.* A certificate of the Clerk of the Oversight Board to the effect that the Oversight Board Resolution was validly adopted, remains in full force and effect, and has not been amended, rescinded, or otherwise modified.
- (16) *DOF Letter.* A copy of the DOF Letter.
- (17) *Defeasance Opinion.* An opinion of Bond Counsel, dated the Closing Date, to the effect that the Successor Agency has taken all actions required to discharge the Defeased Obligations and that such Defeased Obligations are no longer outstanding.
- (18) *Verification Report.* A verification report from _____, relating to the discharge of the Defeased Obligations, in form and substance satisfactory to the Underwriter.
- (19) *Tax Certificate.* A tax certificate or certificates with respect to maintaining the tax-exempt status of the Bonds, duly executed by the Successor Agency, together with a completed and executed Form 8038-G, both with respect to the Series 2015A Bonds.

- (20) *Bond Insurance and Surety Bond Documents.* A copy of the Policy and the Surety Bond, together with such certificates and opinions of the Insurer as required by Bond Counsel and the Underwriter.
- (21) *Additional Debt Tests.* A certificate of the Successor Agency demonstrating that any test for issuing subordinate debt has been met.
- (22) *Additional Documents.* Any additional certificates, instruments, and other documents that Bond Counsel, the Successor Agency, or the Underwriter may reasonably deem necessary.
 - (A) All the opinions, letters, certificates, instruments, and other documents mentioned in this Section 7 or elsewhere in this Purchase Agreement are deemed to be in compliance with this Purchase Agreement if, but only if, they are in form and substance satisfactory to the Underwriter.
 - (B) This Purchase Agreement will terminate and neither the Underwriter nor the Successor Agency will be under any further obligation under it if any of the following occurs:
 - (i) The Successor Agency or the Trustee is unable to satisfy the conditions to the Underwriter's obligations under this Purchase Agreement to purchase, to accept delivery of, and to pay for, the Bonds.
 - (ii) The Successor Agency determines in good faith (and provides written notice to the Underwriter) that legislation has been introduced in the California Legislature or proposals have been made by the Governor of the State of California that, if enacted and effective, would impose additional limitations or burdens on the Successor Agency by reason of the issuance of the Bonds, or that purport to prohibit the issuance of the Bonds.
 - (iii) The Underwriter's obligation to purchase, to accept delivery of, and to pay for the Bonds is terminated for any reason permitted by this Purchase Agreement.

8. **Termination.** The Underwriter may terminate this Purchase Agreement without liability by giving written notice to the Successor Agency if any of the following occurs at any time between the Effective Date and the Closing Date:

- (a) Any event that causes any statement in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading.

- (b) In the Underwriter's opinion, the marketability of the Bonds or the market price of the Bonds, or the Underwriter's ability to enforce contracts for the sale of the Bonds, has been materially adversely affected by an amendment to the United States Constitution or by any legislation in or by the United States Congress or by the California Legislature, or the amendment of legislation pending as of the Effective Date in the United States Congress, or the recommendation to Congress or endorsement for passage (by press release, other form of notice, or otherwise) of legislation by the President of the United States, the United States Treasury Department, the Internal Revenue Service, or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either Committee or by any member thereof, or the presentment of legislation for consideration as an option by either Committee, or by the staff of the Joint Committee on Taxation of the United States Congress, or the favorable reporting for passage of legislation to either House of the United States Congress by a Committee of the House to which the legislation has been referred for consideration, or any decision of any federal or California court or any ruling or regulation (final, temporary, or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service, or other federal or State of California authority materially adversely affecting the federal or state tax status of the Successor Agency or the interest on bonds or notes or obligations of the general character of the Series 2015A Bonds.
- (c) Any legislation, ordinance, rule, or regulation is introduced in, or be enacted by, any governmental body, department, or agency of the State of California, or a decision by any court of competent jurisdiction within California or any court of the United States is rendered that, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Bonds or the Underwriter's ability to enforce contracts for the sale of the Bonds.
- (d) Legislation is enacted by the United States Congress, or a decision by a court of the United States is rendered, or a stop order, ruling, regulation, or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter is issued or made to the effect that the issuance, offering, or sale of obligations of the general character of the Bonds, or the issuance, offering, or sale of the Bonds, including all underlying obligations, as contemplated by this Purchase Agreement or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect.
- (e) Additional material restrictions not in force as of the Effective Date have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, and the restrictions materially adversely affect the Underwriter's ability to trade the Bonds.

- (f) A general banking moratorium has been established by federal or State of California authorities.
- (g) The United States has become engaged in hostilities that have resulted in a declaration of war or a national emergency, or any other outbreak of hostilities or a national or international calamity or crisis has occurred, or any escalation of existing hostilities, calamity, or crisis, financial or otherwise, has occurred, and in the Underwriter's reasonable opinion the effect on the financial markets of the United States is such that it would materially and adversely affect the Underwriter's ability to market the Bonds or to enforce contracts for the sale of the Bonds.
- (h) Any rating of the Bonds has been downgraded, suspended, or withdrawn by a national rating service, and, in the Underwriter's reasonable opinion, the downgrading, suspension, or withdrawal materially adversely affects the marketability or market price of the Bonds.
- (i) The commencement of any action, suit, or proceeding described in Section 5(g) above that, in the Underwriter's judgment, materially adversely affects the market price of the Bonds or the Underwriter's ability to enforce contracts for the sale of the Bonds.
- (j) Any event occurs that, in the Underwriter's reasonable opinion, either (1) makes untrue or incorrect in any material respect any statement in the Official Statement; or (2) is not reflected in the Official Statement but should be reflected there to make the statements and information therein not misleading in any material respect.
- (k) A general suspension of trading is in effect on the New York Stock Exchange.

9. Expenses.

- (a) The Underwriter is not obligated to pay, and the Successor Agency will pay, any expenses incident to the Successor Agency's performance of its obligations under this Purchase Agreement, including (1) the cost of preparation, printing, and distribution of the Indenture and word-processing, reproduction, printing, and distribution costs relating to the Preliminary Official Statement, the Official Statement, and any supplements or amendments thereto (incurred by Disclosure Counsel or an independent printer); (2) the cost of preparation of the Bonds; (3) the fees and disbursements of Bond Counsel and Disclosure Counsel and the fees and expenses of counsel to the Successor Agency; (4) the fees and disbursements of the Financial Advisor and the Fiscal Consultant and any other experts, consultants, or advisors retained by the Successor Agency; (5) the fees of the rating agencies; and (6) the fees of the verification agent and the costs of verifying compliance with Rule 15c2-12.
- (b) The Underwriter will pay (1) the fees and expenses of its counsel; (2) the fees, if any, payable to the California Debt and Investment Advisory Commission in connection with

the issuance of the Bonds; and (3) all other expenses the Underwriter incurs in connection with the public offering of the Bonds.

10. **Notices.** Any notice or other communication given under this Purchase Agreement must be in writing and must be given by delivery to the following addresses:

If to the Successor Agency:

Redevelopment Agency Successor Agency
New City Hall
915 I Street, Fifth Floor
Sacramento, California 95814
Attention: Executive Director

If to Underwriter:

Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, 35th Floor
San Francisco, California 94104
Attention: Eileen Gallagher

11. **Parties in Interest.** This Purchase Agreement is made solely for the benefit of the Successor Agency and the Underwriter. No other person has any right under or by virtue of it. All of the representations, warranties, and agreements of the Successor Agency in this Purchase Agreement remain operative and in full force and effect, regardless of (a) any investigations made by or on behalf of the Underwriter; (b) delivery of and payment for the Bonds under this Purchase Agreement; and (c) any termination of this Purchase Agreement.
12. **Effectiveness and Counterpart Signatures.** This Purchase Agreement becomes effective upon the execution of the acceptance by an authorized officer of the Successor Agency. The parties may execute this Purchase Agreement by facsimile transmission and in separate counterparts, each of which when so executed and delivered (including delivery by facsimile transmission) will be an original, and all counterparts will together constitute but one and the same instrument.
13. **Headings and Interpretation.** The section headings in this Purchase Agreement are for convenience only and are not part of it. This agreement is to be interpreted and applied in accordance with California law, except that that the rule of interpretation in California Civil Code section 1654 will not apply. Exhibits A and B are part of this Purchase Agreement. **“Include”** and its variants are terms of enlargement rather than of limitation. For example, **“includes”** means **“includes but not limited to,”** and **“including”** means **“including but not limited to.”**
14. **Governing Law.** This Purchase Agreement is to be construed in accordance with California law.

(Signature Page Follows)

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, ACTING ON BEHALF OF
ITSELF AND MORGAN STANLEY & CO. LLC, AS
UNDERWRITER

By: _____
Authorized Officer

Accepted:

REDEVELOPMENT AGENCY SUCCESSOR AGENCY
of the dissolved Redevelopment Agency of the
City of Sacramento

By: _____
Authorized Officer

Date and Time of Execution: _____

EXHIBIT A

\$ _____
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
2015 TAX ALLOCATION REFUNDING BONDS
SERIES A (TAX-EXEMPT)

Uninsured Serial Bonds

<i>Maturity Date</i>				
<u>December 1</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>Price</u>

Insured Serial Bonds

<i>Maturity Date</i>				
<u>December 1</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>Price</u>

Insured Term Bonds

<i>Maturity Date</i>				
<u>December 1</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>Price</u>

\$ _____
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
2015 TAX ALLOCATION REFUNDING BONDS
SERIES B (FEDERALLY TAXABLE)

Uninsured Serial Bonds

<i>Maturity Date</i>				
<u>December 1</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>Price</u>

Insured Serial Bonds

<i>Maturity Date</i>				
<u>December 1</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>Price</u>

Insured Term Bonds

<i>Maturity Date</i>				
<u>December 1</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>Price</u>

EXHIBIT B

RULE 15c2-12 CERTIFICATE

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
2015 TAX ALLOCATION REFUNDING BONDS
SERIES A (TAX-EXEMPT)**

and

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
2015 TAX ALLOCATION REFUNDING BONDS
SERIES B (FEDERALLY TAXABLE)**

The undersigned hereby certifies and represents to Stifel, Nicolaus & Company, Incorporated, acting on behalf of itself and Morgan Stanley & Co. LLC (the “**Underwriter**”), that the undersigned is a duly appointed and acting officer of the Redevelopment Agency Successor Agency of the dissolved Redevelopment Agency of the City of Sacramento (the “**Successor Agency**”) and as such is authorized to execute and deliver this Certificate. The undersigned hereby further certifies and reconfirms to the Underwriter as follows on the Successor Agency’s behalf:

1. This Certificate is delivered to enable the Underwriter to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “**Rule**”) in connection with the offering and sale of the tax allocation refunding bonds captioned above (together, the “**Bonds**”).
2. In connection with the offering and sale of the Bonds, a Preliminary Official Statement dated _____, 2015, has been prepared that sets forth information concerning the Bonds and the Successor Agency, as issuer of the Bonds, and the Successor Agency (the “**Preliminary Official Statement**”).
3. As used in this certificate, “**Permitted Omissions**” means the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, and other terms of the Bonds depending on such matters and the identity of the underwriter(s), all with respect to the Bonds.
4. Except for the Permitted Omissions, the Preliminary Official Statement is deemed final within the meaning of the Rule, and the information in the Preliminary Official Statement is accurate and complete in all material respects except for the Permitted Omissions.
5. If, at any time before the execution of the final contract of purchase, any event occurs that might cause the Preliminary Official Statement to include an untrue statement of a material fact or to omit to state any material fact necessary to make the statements therein, in light of

the circumstances under which they were made, not misleading, then the Successor Agency will promptly notify the Underwriter of that event.

REDEVELOPMENT AGENCY SUCCESSOR
AGENCY OF THE DISSOLVED
REDEVELOPMENT AGENCY OF THE CITY OF
SACRAMENTO

By: _____
Authorized Officer

Date: _____, 2015