

AGENDA

STANISLAUS COUNTY SUCCESSOR AGENCY TO THE STANISLAUS COUNTY REDEVELOPMENT AGENCY

1010 10TH STREET, BASEMENT LEVEL, MODESTO

JULY 28, 2015

9:10 A.M.

- I. CALL TO ORDER**
- II. PUBLIC COMMENT**
- III. CONSENT CALENDAR (Those items marked with an *)**
- IV. APPROVAL OF MINUTES**
 - A. None
- V. CORRESPONDENCE**
 - A. None
- VI. AGENDA ITEMS**
 - *A. Approval of the Conflict of Interest Code for the Successor Agency of the Dissolved Stanislaus County Redevelopment Agency
 - *B. Adoption of Bylaws and Contracting and Purchasing Procedures for the Successor Agency of the Dissolved Stanislaus County Redevelopment Agency
 - C. Approval of a Resolution Authorizing the Issuance of Tax Allocation Refunding Bonds for the Refunding of the 2005 Keyes Tax Allocation Bond and 2003 United States Department of Agriculture Note; and to Execute All the Necessary Agreements for Related Professional Services; and Related Actions
- VII. OTHER MATTERS**
 - A. None
- VIII. ADJOURNMENT**

Sitting as the Successor Agency to the Stanislaus County Redevelopment Agency

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY**

DEPT: Successor Agency - AR

BOARD AGENDA # 9:10 A.M. - *VI-A

Urgent

Routine

AGENDA DATE July 28, 2015

CEO Concurs with Recommendation YES NO

(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval of the Conflict of Interest Code for the Successor Agency of the Dissolved Stanislaus County Redevelopment Agency

STAFF RECOMMENDATIONS:

Approve the proposed Conflict of Interest Code for the Successor Agency of the dissolved Stanislaus County Redevelopment Agency to apply to the Successor Agency and list the Oversight Board members as designated filers.

FISCAL IMPACT:

There is no fiscal impact associated with this item. All cost associated with preparation and implementation of this item are covered under the Administrative Cost Allowance provided to the Successor Agency under Assembly Bill x1 26 (the "Dissolution Act") and approved by the Oversight Board of the Successor Agency.

BOARD ACTION AS FOLLOWS:

No. 2015-360

On motion of Supervisor Chiesa, Seconded by Supervisor O'Brien
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Withrow

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

ATTEST: Christine Ferraro
CHRISTINE FERRARO TALLMAN, Clerk

File No.

DISCUSSION:

The Political Reform Act of 1974 requires that local agencies adopt local Conflict of Interest Codes. The Code requires disclosure of financial interests of certain employees, consultants and members of the board if these persons are likely to be involved in decision-making that could affect their own financial interests.

The California state legislature enacted Assembly Bill x1 26 (the "Dissolution Act") to dissolve redevelopment agencies. The Redevelopment Agency of Stanislaus County was accordingly dissolved, and the Stanislaus County Board of Supervisors adopted a resolution declaring that the County would act as the Successor Agency for the dissolved Redevelopment Agency. Additionally, an Oversight Board to the Successor Agency was appointed pursuant to the provisions of the Dissolution Act.

The Successor Agency is required to adopt a Conflict of Interest Code to cover designated employees of the Successor Agency serving as staff to the Successor Agency and the Oversight Board, as well as the Successor Agency and Oversight Board members. Under the Political Reform Act of 1974, the County Board of Supervisors is the code reviewing body for the Successor Agency and the Oversight Board; in that capacity, the County will make the final determination regarding which entity is required to adopt the Conflict of Interest Code.

The Conflict of Interest Code contains a list of the positions that are designated for filing annual financial disclosure statements. The Successor Agency's Board is being asked to adopt a Conflict of Interest Code to include Successor Agency members and staff, as well as the Oversight Board members and staff. A copy of the proposed Conflict of Interest Code is provided as an attachment to this report.

POLICY ISSUES:

Approval of this item is needed for compliance with the Political Reform Act of 1974.

STAFFING IMPACT:

There are no staffing impacts associated with this item.

CONTACT PERSON:

Angela Freitas, Director of Planning & Community Development.
Telephone: 209-525-6330

ATTACHMENTS:

Proposed Conflict of Interest Code

ATTACHMENT A
CONFLICT OF INTEREST CODE
OF THE SUCCESSOR AGENCY TO THE DISSOLVED STANISLAUS
REDEVELOPMENT AGENCY

The Political Reform Act, Government Code section 81000, et seq., requires each state and local government agency to adopt and promulgate a conflict of interest code. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Code of Regs., section 18730, which contains the terms of a standard conflict of interest code. It can be incorporated by reference and may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments in the Political Reform Act. Therefore, the terms of 2 Cal. Code of Regs., section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission are incorporated herein by reference, and shall constitute the Conflict of Interest Code of the Successor Agency to the dissolved Stanislaus Redevelopment Agency (hereinafter Agency), consisting of this Attachment A and Attachments B through D, in which members and employees are designated, disclosure categories are set forth, and the place of filing is specified.

Designated employees shall file statements of economic interests with the Agency. Upon receipt of the statements of the various designated members and employees, the designated Agency shall make and retain a copy and forward the original of these statements to the place of filing, as indicated on Attachment D.

ATTACHMENT B
CONFLICT OF INTEREST CODE
OF THE SUCCESSOR AGENCY TO THE DISSOLVED STANISLAUS
REDEVELOPMENT AGENCY
DESIGNATED EMPLOYEES/POSITIONS

Under provisions of the Standard Code, designated employees/positions shall file statements of economic interests. Listed below are the designated employees/positions for the Successor Agency to the dissolved Stanislaus Redevelopment Agency and the appropriate schedules for filing:

<u>POSITIONS</u>	<u>DISCLOSURE CATEGORY</u>
Members of the Successor Agency	I
Members of Oversight Board and Alternates	I
Executive Director of the Successor Agency	I
Successor Agency Manager(s)	I
Legal Counsel	I
Consultant(s)	I

ATTACHMENT C
CONFLICT OF INTEREST CODE
OF THE SUCCESSOR AGENCY TO THE DISSOLVED STANISLAUS
REDEVELOPMENT AGENCY
DISCLOSURE CATEGORIES FOR DESIGNATED EMPLOYEES/POSITIONS

CATEGORY I

All investments and business positions in business entities, sources of income and interest in real property located in or doing business in Stanislaus County.

Consultants shall disclose, pursuant to Category I, subject to the following limitation:

The Successor Agency to the dissolved Stanislaus Redevelopment Agency may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements of this code. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Agency's determination is a public record and shall be retained for public inspection in the same manner and location as the conflict of interest code.

ATTACHMENT D
CONFLICT OF INTEREST CODE
OF THE SUCCESSOR AGENCY TO THE DISSOLVED STANISLAUS
REDEVELOPMENT AGENCY
PLACE OF FILING

DESIGNATED EMPLOYEES/POSITIONS:

Where: Stanislaus County Planning & Community Development
Department
1010 10th Street, Suite 3400
Modesto, CA 95354

The Stanislaus County Successor Agency to the dissolved Stanislaus Redevelopment Agency shall maintain a copy of each Form 700 - "Statement of Financial Interests" in the department and the original Statements shall be forwarded to the Clerk of the Board of Supervisors at 1010 10th Street, Suite 6500, Modesto, California 95354.

Sitting as the Successor Agency to the Stanislaus County Redevelopment Agency

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Successor Agency *AF*

BOARD AGENDA # 9:10 A.M. - *VI-B

Urgent Routine

AGENDA DATE July 28, 2015

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Adoption of Bylaws and Contracting and Purchasing Procedures for the Successor Agency of the Dissolved Stanislaus County Redevelopment Agency

STAFF RECOMMENDATIONS:

1. Adopt the Proposed Bylaws for the Successor Agency of the Dissolved Stanislaus County Redevelopment Agency.
2. Adopt the Proposed Contracting and Purchasing Procedures for the Successor Agency of the Dissolved Stanislaus County Redevelopment Agency.

FISCAL IMPACT:

There is no fiscal impact associated with this item. All cost associated with preparation and implementation of this item are covered under the Administrative Cost Allowance provided to the Successor Agency under Assembly Bill x1 26 (the "Dissolution Act") and approved by the Oversight Board of the Successor Agency.

BOARD ACTION AS FOLLOWS:

No. 2015-361

On motion of Supervisor Chiesa, Seconded by Supervisor O'Brien

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Withrow

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

DISCUSSION:

The former Stanislaus County Redevelopment Agency (RDA) was dissolved on February 1, 2012, in accordance Assembly Bill x1 26 (the "Dissolution Act"). The Stanislaus County Board of Supervisors authorized the County to serve as the Successor Agency (SA) to the RDA on January 1, 2012.

As an independent agency, the Successor Agency needs to establish bylaws in order to conduct efficient meetings and establish a process for conducting business. The bylaws also establish, among other things, the Chair and Vice Chair and provide that meetings will be conducted in accordance with the Roberts Rules of Order and the SA's official contact and staff.

In accordance with the Dissolution Act, the Successor Agency may enter into contracts to conduct the work of winding down the former Redevelopment Agency, including acquiring professional administrative services and legal counsel and procuring insurance. Contract and Purchasing procedures are needed to guide the activities of the Successor Agency.

POLICY ISSUE:

Approval of this item is needed in order for the Successor Agency to effectively and efficiently conduct business.

STAFFING IMPACT:

There are no staffing impacts associated with this item.

CONTACT PERSON:

Angela Freitas, Director of Planning & Community Development.
Telephone: 209-525-6330

ATTACHMENTS:

1. Proposed Bylaws for the Successor Agency of the Dissolved Stanislaus County Redevelopment Agency
2. Proposed Contracting and Purchasing Procedures for the Successor Agency of the Dissolved Stanislaus County Redevelopment Agency

ATTACHMENT 1

SUCCESSOR AGENCY TO THE DISSOLVED STANISLAUS COUNTY REDEVELOPMENT AGENCY

BYLAWS

Article I: Agency and Officers

Section 1: Agency. "Agency" shall mean the Successor Agency to the dissolved Redevelopment Agency of Stanislaus County created pursuant to California Health and Safety Code section 34173. Pursuant to Resolution 2012-018, the County of Stanislaus is the Successor Agency to the dissolved Redevelopment Agency of Stanislaus County.

Section 2: Board. The Stanislaus County Board of Supervisors shall serve as the Board of Directors of the Agency.

Section 3: Chair. The chair shall be the same member also serving as the chair for the Stanislaus County Board of Supervisors.

Section 4: Term of Office-Chair. The term of office shall be from the first meeting of the calendar year to the first meeting of the succeeding calendar year, and shall be concurrent with the offices held on the Board of Supervisors.

Section 5: Vice-Chair. The vice-chair shall be the same member also serving as the vice-chair for the Stanislaus County Board of Supervisors. The vice-chair shall, in the absence or unavailability of the chair, exercise all of the chair's powers and duties.

Section 6: Term of Office – Vice-Chair. The term of office shall be from the first meeting of the year to the first meeting of the succeeding year, and shall be concurrent with the offices held on the Board of Supervisors.

Section 7: Official Contact. The Stanislaus County Director of Planning and Community Development shall serve as the Successor Agency's official contact person and Executive Director for administrative purposes.

Section 8: Counsel. The Stanislaus County Counsel, or designee, shall serve as the Agency's legal counsel. A private firm may also be utilized for special services, as needed.

Section 9: Clerk. The Clerk of the Stanislaus County Board of Supervisors, or his/her designee, shall serve as the Agency's clerk, and shall maintain all minutes.

Section 10: Agency Staff. The Stanislaus County Chief Executive Office, County Counsel, Director of Planning and Community Development, and Auditor-Controller, or designees, shall serve as the Agency's staff.

Article II: Meetings

Section 1: Scheduling of Meetings. The Agency shall meet as needed unless otherwise specified by the Agency or the Official Contact. Meetings shall be held in the Chambers of the Stanislaus County Board of Supervisors at 1010 10th Street, Modesto, California.

Section 2: Order of Business. Unless otherwise directed by the chair, the order of business at Agency meetings shall be as follows:

- | | |
|------------------------|------------------|
| A. Public Comment | D. Agenda Items |
| B. Approval of Minutes | E. Other Matters |
| C. Correspondence | F. Adjournment |

Section 3: Cancellation of Meetings. Any regular or special meeting of the Agency may be cancelled by the chair if it is determined that a quorum will not be present. If a meeting is cancelled, the agenda items shall be automatically continued to the next regular meeting of the Agency.

Section 4: Special Meetings. The chair may, in accordance with all applicable State laws, call a special meeting of the Agency.

Section 5: Quorum and Voting. Not less than a majority of the members of the Board shall constitute a quorum of the Board of Directors. Every act or decision made by a majority of the members present at a meeting duly held, at which a quorum is present, shall be the act of the Board.

Section 6: General Conduct. Except as herein or otherwise provided by State law, Robert's Rules of Order shall govern the proceedings of the Agency.

Article III: Administration

Section 1: Procedures. The Agency shall adopt, and update as necessary, procedures for administering the proposals which are submitted to it.

Section 2: Policies. The Agency may adopt policies to guide its operations and deliberations.

Article IV: Amendments

Section 1: Amending the Bylaws. These Bylaws may be amended at any regular meeting of the Agency by a majority of the Board.

Article V: Performance of Duties

Section 1: Vacancy Due to Non-Performance of Duties. The office of any member of the Agency shall become vacant if the member ceases to discharge the duties of the office.

Section 2: Standard for Nonperformance of Duties. A member of the Agency shall be deemed to have ceased discharging the duties of the office if absent, without the consent of the chair, from three consecutive regular meetings of the Agency.

Section 3: Excused Absences. The chair may excuse the absence of any member if it is determined that the absence is due to sickness, a personal emergency or attendance at another governmental function. All excused absences, and the reason for them, shall be announced by the chair at a regular meeting of the Agency.

Article VI: Fiscal Matters

Section 1: Budget Preparation. The Agency staff shall submit an Administrative Budget for the upcoming fiscal year for approval by the Successor Agency's Oversight Board and shall reflect the approved budget as an Administrative Cost Allowance in the appropriate Recognized Obligation Payment Schedule (ROPS) for approval by the Successor Agency's Oversight Board. Budget and ROPS shall be maintained by the Agency staff.

Section 2: Fiscal Year. The fiscal year of the Agency shall be from July 1st to June 30th.

ATTEST:

I attest that these Bylaws of the Successor Agency to the Dissolved Redevelopment Agency of Stanislaus County were adopted by the Board on July 28, 2015.



CHRISTINE FERRARO TALLMAN, Clerk of the Board of Supervisors of the County of Stanislaus, State of California

ATTACHMENT 2

Contracting and Purchasing Procedures

Upon adoption by the Successor Agency of the Dissolved Stanislaus County Redevelopment Agency, the following Contracting and Purchasing Procedures shall apply:

- The Successor Agency shall comply with the Contracting and Purchasing Procedures of the County of Stanislaus, as they may be amended from time to time.
- To the extent required by law, Successor Agency contracts will also be approved by the Oversight Board for the Successor Agency of the Dissolved Stanislaus County Redevelopment Agency.

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Successor Agency - AE

BOARD AGENDA # 9:10 A.M. - VI-C

Urgent Routine

AGENDA DATE July 28 2015

CEO Concurs with Recommendation YES NO

4/5 Vote Required YES NO

(Information Attached)

SUBJECT:

Approval of a Resolution Authorizing the Issuance of Tax Allocation Refunding Bonds for the Refunding of the 2005 Keyes Tax Allocation Bond and 2003 United States Department of Agriculture Note; and to Execute All the Necessary Agreements for Related Professional Services; and Related Actions

STAFF RECOMMENDATIONS:

1. Approve a resolution authorizing the issuance and sale of Tax Allocation Refunding Bonds, and approving the form of an Indenture of Trust, Bond Purchase Contract and related documents and authorizing certain other actions in connection therewith.
2. Authorize the Chair of the Successor Agency to the Stanislaus Redevelopment Agency to sign the resolution.

(Continued on page 2)

FISCAL IMPACT:

The Successor Agency (SA) of the Former Stanislaus County Redevelopment Agency, has an \$11.51 million outstanding 2005 Keyes Tax Allocation Bond (2005 Bonds) with a final maturity of August 1, 2036. The 2005 Bond was originally issued in the par amount of \$15.615 million and is currently callable at a premium of 1.0% (\$115,000) of the outstanding par amount (an amount reduced to 0% on August 1, 2015). The SA also has an outstanding 2003 United States Department of Agriculture Note (2003 Note), which refinanced a tax revenue anticipated loan in 2001. The outstanding par amount is \$3.93 million at an interest rate of 5.125%.

(Continued on page 2)

BOARD ACTION AS FOLLOWS:

No. 2015-362

On motion of Supervisor DeMartini, Seconded by Supervisor Monteith
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Withrow

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

ATTEST:


CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval of a Resolution Authorizing the Issuance of Tax Allocation Refunding Bonds for the Refunding of the 2005 Keyes Tax Allocation Bond and 2003 United States Department of Agriculture Note; and to Execute All the Necessary Agreements for Related Professional Services; and Related Actions
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STAFF RECOMMENDATIONS: (Continued)

3. Authorize the Executive Director to execute all the necessary agreements for related professional services to the refunding actions.
4. Authorize the Executive Director to place any non-contingent costs on the Recognized Obligation Payment Schedule as an Enforceable Obligation, if adequate Administrative Cost Allowance is unavailable.

FISCAL IMPACT: (Continued)

KNN Public Finance, as the financial advisor, has prepared an estimated savings report. This report shows that refunding the 2005 Bonds will increase the residual property taxes to be distributed to all taxing entities by approximately \$2 million over the remaining years the Bonds are outstanding. The estimate is based on current market conditions, which are subject to volatility. This translates to an approximate average annual savings of \$100,000 distributed to all tax entities, which include the County, cities, schools and special districts, through Fiscal Year 2036-2037. The County's estimated share is approximately 12% of that savings or an annual average of \$12,000.

The estimated savings amounts are net of all costs incurred for refunding the Bonds, the majority of which are contingent upon completion of the refunding. If the refunding is approved by the Oversight Board (OB) but does not occur, there will be non-contingent costs for not to exceed \$25,200 that will need to be covered. Non-contingent costs may be treated as administrative costs of the Successor Agency (SA) or submitted as an Enforceable Obligation on the SA's Recognized Obligation Payment Schedule (ROPS). With OB approval and acceptance from the State Department of Finance (DOF), the SA is authorized an administrative cost allowance of up to \$250,000 annually. It is anticipated that there will be sufficient surplus administrative funds to cover the non-contingent costs. If the DOF or the OB disallows the non-contingent costs as administrative, this item includes a request to place any non-contingent costs on the SA's ROPS as an Enforceable Obligation, as another option for covering those costs.

Actual savings and residual property taxes resulting from the refunding transaction will depend upon credit market conditions at the time of sale of the Bonds. The savings will be slightly lower if the 2003 Note is included, however, this item only allows for the 2005 Bonds to be refunded independently if the SA chooses not to include the 2003 Note.

DISCUSSION:

On December 29, 2011, the California Supreme Court upheld Assembly Bill x1 26, known as the "California Redevelopment Agency Dissolution Act" (the Dissolution Act) that resulted in the dissolution of the Redevelopment Agency of the County of Stanislaus (Former Redevelopment Agency) effective February 1, 2012.

Approval of a Resolution Authorizing the Issuance of Tax Allocation Refunding Bonds for the Refunding of the 2005 Keyes Tax Allocation Bond and 2003 United States Department of Agriculture Note; and to Execute All the Necessary Agreements for Related Professional Services; and Related Actions

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On June 27, 2012, the California Legislature passed Assembly Bill 1484 (AB1484) to clarify and organize certain procedures created by the Dissolution Act. As such, AB 1484 permits Successor Agencies to refund outstanding Bonds of former redevelopment agencies under circumstances outlined in Health & Safety Code section 34177.5 (a)(1), provided that: (A) the total interest cost to maturity on the refunding Bonds or other indebtedness plus the principal amount of the refunding Bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the Bonds or other indebtedness to be refunded plus the remaining principal of the Bonds or other indebtedness to be refunded, and (B) the principal amount of the refunding Bonds or other indebtedness shall not exceed the amount required to defease the refunded Bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance.

Currently, the SA of the Former Redevelopment Agency has the following Bonds issued and outstanding, exclusive of Bonds to be paid in the current ROPS:

Description	Maturity	Outstanding Par (in thousands)	Rates
2005 Keyes Tax Allocation Bonds (2005 Bonds)	8/1/2016 to 8/1/2036	\$11,075	5.00% to 5.375%
2003 USDA Loan (2003 Note)	8/1/2016 to 8/1/2041	\$3,770	4.25%
Total		\$14,845	

The 2005 Bonds, and potentially the 2003 Note (collectively “the Bonds”), may be refunded at lower interest rates resulting in debt service savings to the taxing agencies that receive residual property taxes. Based on current market interest rates, the total estimated net present value savings by refunding the 2005 Bonds is estimated to be approximately \$1 million. This savings will increase the amount of “residual” property tax funds available to be distributed to taxing entities under section 34183 of the Health & Safety Code. The County’s share of the residual savings is 12%. Actual savings resulting from the refunding transaction is dependent upon market interest rates at the time the refunding Bonds are sold. Under current market conditions and assumptions, refunding the 2003 Note does not result in a net present value savings. Staff recommends allowing the inclusion of the 2003 Note if market conditions change and it is advantageous to do so at the actual time of refunding, provided that the requirements of the Dissolution Act are met.

On December 1, 2014, consistent with County debt policy, the Chief Executive Officer convened the Debt Advisory Committee (DAC) to review the proposed refunding of the 2005 Bonds with KNN Public Finance (KNN). The DAC provides advice on the issuance and management of the County’s debt. Members of the Committee include the Chief Executive Officer, Auditor-Controller, Treasurer-Tax Collector, County Counsel, Director of Planning and Community Development, and the Public Works Director.

Approval of a Resolution Authorizing the Issuance of Tax Allocation Refunding Bonds for the Refunding of the 2005 Keyes Tax Allocation Bond and 2003 United States Department of Agriculture Note; and to Execute All the Necessary Agreements for Related Professional Services; and Related Actions

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In addition to the Keyes Storm Drain Project, KNN provided the DAC with a scenario including refunding of the 2003 Note. The DAC unanimously recommended moving forward with the refunding of the 2005 Bonds and include the refunding of the 2003 Note if there is a positive return of at least 3% present value savings.

The SA's adoption of the attached resolution is the first step toward refunding the Bonds. The resolution approves the forms of an indenture of trust, bond purchase contract and escrow agreement and authorizes staff to complete the transaction subject to meeting the Dissolution Act requirements. Following the adoption of the resolution by the SA, the OB will be requested to approve the Bond refunding. Once the OB approves the Bond refunding, staff will send a request to the California State Department of Finance (DOF) to review the OB action and authorize the SA to proceed with the refunding. The DOF has 5 days to determine whether it will review the action and, if so, has 60 days to respond.

Staff may proceed with the refunding only if the requirements of the Dissolution Act continue to be met at the time the refunding Bonds are to be sold; that is, if the total debt service (principal and interest) on the new refunding Bonds issued is less than the total remaining debt service on the Bonds currently outstanding and being refunded.

Prior to the sale of the refunding Bonds, the SA will meet to approve the disclosure document, and (Official Statement). During the 60-day period the DOF is reviewing the refunding request, staff and the Bond consultants will submit the financing to Standard & Poor's Ratings Services for a credit rating and to potential Bond insurers for a Bond insurance policy and a reserve fund surety policy. It is staff's intent to ensure the SA will be prepared to market the refunding Bonds as soon as practicable after the DOF responds to the request to proceed with the refunding. Staff anticipates that Bond pricing will occur near the end of September 2015.

The citizens of Stanislaus County benefit from this item due to the estimated residual property tax revenue that will be derived from refunding the Bonds at lower rates. The residual property tax revenue is anticipated from reduced debt service payments due to refunding the Bonds at lower rates. The savings and resulting increase in residual property tax revenue is estimated at approximately \$100,000 annually and will be distributed to taxing entities which include the County, cities, schools and special districts in Stanislaus County through Fiscal Year 2036-2037. The County's estimated share is approximately 12% of that residual property tax revenue or an annual average of \$12,000.

In addition to the authorization of the refunding transaction, the Resolution appoints the following financing team members and authorizes staff to execute necessary related service contracts: Stradling Yocca Carlson & Rauth as Bond Counsel and Disclosure Counsel, Urban Analytics LLC as Fiscal Consultant, and KNN Public Finance as Financial Advisor.

Approval of a Resolution Authorizing the Issuance of Tax Allocation Refunding Bonds for the Refunding of the 2005 Keyes Tax Allocation Bond and 2003 United States Department of Agriculture Note; and to Execute All the Necessary Agreements for Related Professional Services; and Related Actions
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POLICY ISSUES:

Authorizing the refunding of the Bonds and related actions, supports the Successor Agency's role in administration of the former Redevelopment Agency's debt.

STAFFING IMPACTS:

There are no staffing impacts associated with this item.

CONTACT PERSON:

Angela Freitas, Stanislaus County Director of Planning & Community Development
Telephone: 209-525-6330

ATTACHMENTS:

1. Bond Resolution
2. Indenture of Trust
3. 2005 Bonds Escrow Agreement
4. Bond Purchase Contract

RESOLUTION NO. 2015-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO STANISLAUS COUNTY REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS, AND APPROVING THE FORM OF AN INDENTURE OF TRUST, BOND PURCHASE CONTRACT AND RELATED DOCUMENTS AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Stanislaus County Redevelopment Agency (the "Former Agency"), prior to its dissolution (as described below) was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California) (the "Law"), and the powers of the Former Agency included the power to issue Bonds for any of its corporate purposes; and

WHEREAS, a Redevelopment Plan for the Stanislaus County Redevelopment Project No. 1 (the "Project Area 1") of the Former Agency was adopted on July 9, 1991, pursuant to Ordinance No. C.S. 440, as subsequently amended in compliance with all requirements of the Law, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with;

WHEREAS, the Former Agency previously issued its Stanislaus County Redevelopment Agency Stanislaus County Redevelopment Project No. 1 Tax Allocation Bonds, Series 2003 (the "2003 Bonds") and the Former Agency pledged its tax increment revenues from Project Area 1 as the security for the repayment of the 2003 Bonds (the "2003 Bonds");

WHEREAS, the Former Agency previously issued its \$15,615,000 initial aggregate principal amount Stanislaus County Redevelopment Agency (Keyes Storm Drain Project) 2005 Tax Allocation Bonds (the "2005 Bonds" and, together with the 2003 Bonds, the "Existing Bonds") secured by tax increment revenues on a parity with the 2003 Bonds;

WHEREAS, by implementation of California Assembly Bill X1 26, which amended provisions of the Law, and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, the Former Agency was dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (as amended, the "Dissolution Act"), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to the Dissolution Act, assumed the duties and obligations of the Former Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Former Agency under the Existing Bonds and the related documents to which the Former Agency was a party;

WHEREAS, on June 28, 2011, the California Legislature also adopted ABx1 27 (the "Opt-in Bill"); and

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

WHEREAS, the powers, assets and obligations of the Former Agency were transferred on February 1, 2012 to the Successor Agency to the Stanislaus County Redevelopment Agency with respect to Project Area No. 1 (the "Successor Agency"); and

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

WHEREAS, California Health and Safety Code Section 34177.5(a) 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 shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance; and

WHEREAS, the Successor Agency desires to issue its Successor Agency to the Stanislaus County Redevelopment Agency Subordinated Tax Allocation Refunding Bonds, Series 2015 (the "2015 Bonds") for the purpose of refunding part or all of the Existing Obligations and to achieve debt service savings; and

WHEREAS, the Successor Agency wishes at this time to approve all matters relating to the issuance and sale of the 2015 Bonds;

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE STANISLAUS COUNTY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

Section 1. Subject to the provisions of the Indenture referred to in Section 2 hereof, the issuance of the 2015 Bonds in the aggregate principal amount not to exceed Sixteen Million Dollars (\$16,000,000) on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture, is hereby authorized and approved. The 2015 Bonds will be dated, will bear interest at the rates, will mature on the dates, will be issued in the form, will be subject to redemption, and will be as otherwise provided in the Indenture, as the same will be completed as provided in this Resolution. The proceeds of the sale of the 2015 Bonds shall be applied as provided in the Indenture. The 2015 Bonds may be issued as a single issue, or from time to time in separate series, as the Successor Agency shall determine. The 2015 Bonds shall be issued pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law") in compliance with Section 34177.5(a) of the California Health and Safety Code. The approval of the issuance of the 2015 Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every separate series of 2015 Bonds, without the need for any further approval from the Oversight Board.

Section 2. The Indenture of Trust in substantially the form submitted at this meeting and made a part hereof as though set forth in full herein (the "Indenture"), is hereby approved. The Chair

of the Successor Agency, the Executive Director of the Successor Agency, the written designee of the Executive Director of the Successor Agency, the Clerk of the Successor Agency, and any other proper officer of the Successor Agency (the "Authorized Officers") are each hereby authorized and directed to execute and deliver the Indenture in the form presented at this meeting with such changes, insertions and omissions as may be requested by Bond Counsel and approved by the Chair, said execution being conclusive evidence of such approval. Without limiting the generality of the foregoing, in the event the Executive Director determines in consultation with the Financial Advisor and Bond Counsel (described below) that all or a portion of the 2003 Bonds shall not be refinanced as a part of the first series of Bonds issued pursuant to this authorization, the Indenture and all related documents approved or contemplated hereunder shall be modified to reflect that the pledge of Pledged Tax Revenues (as such term is defined in the Indenture) shall be and remain subordinate to the 2003 Bonds and in such other respects as the Executive Director shall deem necessary or appropriate under the circumstances.

Section 3. The Successor Agency hereby finds and determines, based on all evidence and testimony contained in the record, that the Successor Agency has made diligent efforts to ensure that the lowest long-term cost financing will be obtained for the 2015 Bonds, that the financing shall not provide for any bullets or spikes and shall not use variable rates, and that the Successor Agency has retained the Financial Advisor (defined below) in developing financing proposals and the Successor Agency shall make the work product of the Financial Advisor available to the California Department of Finance at its request under the provisions of Health and Safety Code Section 34177.5(h).

Section 4. (a) The Bonds may be sold by negotiated sale pursuant to the Bond Purchase Contract between the Successor Agency and Stifel, Nicolaus & Company, Incorporated (the "Underwriter") with respect to the 2015 Bonds in substantially the form submitted at this meeting and made a part hereof as though set forth in full herein, and the same is hereby approved. Any of the Authorized Officers, acting singly, are hereby authorized and directed to execute the Bond Purchase Contract in the form presented at this meeting with such changes, insertions and omissions as may be approved by such Authorized officer, said execution being conclusive evidence of such approval; provided, however, that the Bond Purchase Contract shall be signed only if the terms of the agreement are such that (i) the total interest cost to maturity on the 2015 Bonds plus the principal amount of the 2015 Bonds will not exceed the total remaining interest cost to maturity on the Refunded Obligations plus the principal amount of the Refunded Obligations, and (ii) the principal amount of the 2015 Bonds will not exceed the amount required to defease the Refunded Obligations, to establish a customary debt service reserve fund, and to pay related costs of issuance.

(b) As an alternative to the sale of the Bonds through a public offering authorized in paragraph (a), the 2015 Bonds may be sold on a private placement basis through Stifel, Nicolaus & Company, Incorporated, acting as private placement agent (the "Private Placement Agent"), if a private placement of the 2015 Bonds will produce lower interest rates (and therefore greater savings) than are available through a public offering of the 2015 Bonds, in the opinion of, and upon recommendation of, the Financial Advisor, which recommendation is agreed to by, the Executive Director, so long as the interest rate savings specified in paragraph (a) are achieved through said private placement of the 2015 Bonds, and so long as the compensation to the Private Placement Agent through a private placement of the Bonds does not exceed the amount approved by the Executive Director.

Section 5. The Escrow Agreements in substantially the form submitted at this meeting and made a part hereof as though set forth in full herein, are hereby approved. Any of the Authorized Officers, acting singly, are hereby authorized and directed to execute and deliver the Escrow Agreements in the form presented at this meeting with such changes, insertions and omissions as may be requested by Bond Counsel and approved by the Executive Director or other signatory, said execution being conclusive evidence of such approval.

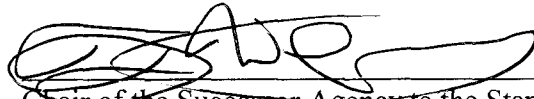
Section 6. The Authorized Officers, and each of them, hereby is authorized and directed to execute and deliver any and all documents and instruments relating to the 2015 Bonds, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Indenture, the Bond Purchase Contract and any related continuing disclosure undertaking, the Escrow Agreements, this Resolution and any such agreements.

Section 7. Each of the Authorized Officers, acting alone, is hereby authorized to negotiate the terms of a commitment for a policy of bond insurance and a commitment for a debt service reserve fund surety bond (each a "Commitment") from one or more municipal bond insurance companies (an "Insurer") and, if such officer determines that the acquisition of an insurance policy and/or a surety bond from an Insurer will result in net interest rate savings, to pay the insurance premium of for such policy and surety bond from the proceeds of the 2015 Bonds and to approve changes to the Indenture to the extent necessary to conform to the terms of the Commitments.

Section 8. The Bank of New York Mellon Trust Company, N.A. is hereby appointed as Trustee, Stradling Yocca Carlson & Rauth, a Professional Corporation is hereby appointed as Bond Counsel and Disclosure Counsel, KNN Public Finance is hereby confirmed as Financial Advisor, Urban Analytics is hereby appointed as Fiscal Consultant, and Stifel, Nicolaus & Company, Incorporated is hereby appointed as Underwriter.

Section 9. This Resolution shall take effect immediately upon its adoption.

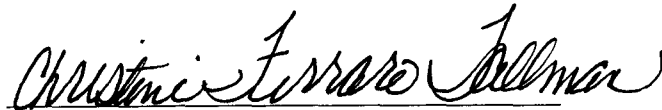
IN WITNESS WHEREOF, this Resolution is adopted and approved the 28th day of July, 2015.



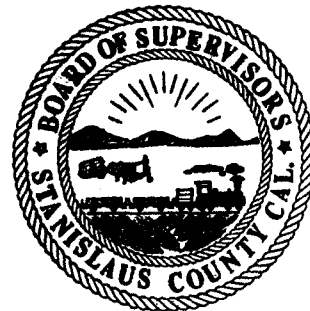
Chair of the Successor Agency to the Stanislaus
County Redevelopment Agency

(SEAL)

ATTEST:



Clerk of the Successor Agency to the
Stanislaus County Redevelopment Agency



STATE OF CALIFORNIA
COUNTY OF STANISLAUS
CITY OF MODESTO

CLERK'S CERTIFICATE
OF AUTHENTICATION

I, Christine Ferraro Tallman, Clerk of the Successor Agency to the Stanislaus County Redevelopment Agency, California, DO HEREBY CERTIFY that the foregoing Resolution was duly adopted by said Successor Agency at a regular meeting of said Successor Agency held on the 28th day of July, 2015, and that the same was passed and adopted by the following vote, to wit:

AYES: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Withrow

NOES: None

ABSENT: None

ABSTAIN: None


Clerk

STATE OF CALIFORNIA
COUNTY OF STANISLAUS
CITY OF MODESTO

CLERK'S CERTIFICATE
OF AUTHENTICATION

I, Christine Ferraro Tallman, Clerk of the Successor Agency to the Stanislaus County Redevelopment Agency, DO HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of Resolution No. 2015-01 of said Successor Agency and that said Resolution was adopted at the time and by the vote stated on the above certificate, and has not been amended or repealed.


Clerk

INDENTURE OF TRUST

Dated as of November 1, 2015

by and between the

SUCCESSOR AGENCY TO STANISLAUS COUNTY REDEVELOPMENT AGENCY

and

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

Relating to

**§ _____
Successor Agency to the Stanislaus County Redevelopment Agency
[Subordinated] Tax Allocation Refunding Bonds, Series 2015**

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture") is made and entered into and dated as of November 1, 2015, by and between the SUCCESSOR AGENCY TO THE STANISLAUS COUNTY REDEVELOPMENT AGENCY, a public entity duly existing under the laws of the State of California (the "Successor Agency" or "Agency"), as Successor Agency to the Stanislaus County Redevelopment Agency (the "Former Agency") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, prior to its dissolution (as described below), the Former Agency was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (as amended, the "Law"), including the power to issue bonds and incur debt for any of its corporate purposes;

WHEREAS, a Redevelopment Plan for the Stanislaus County Redevelopment Project No. 1 (the "Project Area 1") of the Former Agency was adopted on July 9, 1991, pursuant to Ordinance No. C.S. 440, as subsequently amended in compliance with all requirements of the Law, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with;

WHEREAS, the Former Agency previously issued its Stanislaus County Redevelopment Agency Stanislaus County Redevelopment Project No. 1 Tax Allocation Bonds, Series 2003 (the "2003 Bonds") and the Former Agency pledged its tax increment revenues from Project Area 1 as the security for the repayment of the 2003 Bonds (the "2003 Bonds");

WHEREAS, the Former Agency previously issued its \$15,615,000 initial aggregate principal amount Stanislaus County Redevelopment Agency (Keyes Storm Drain Project) 2005 Tax Allocation Bonds (the "2005 Bonds" and, together with the 2003 Bonds, the "Existing Bonds") secured by Tax Revenues on a parity with the 2003 Bonds;

WHEREAS, by implementation of California Assembly Bill X1 26, which amended provisions of the Law, and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, the Former Agency was dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (as amended, the "Dissolution Act"), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to the Dissolution Act, assumed the duties and obligations of the Former Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Former Agency under the Existing Bonds (as defined herein) and the related documents to which the Former Agency was a party;

WHEREAS, Section 34177.5(a)(1) of the California Health and Safety Code authorizes the Successor Agency to undertake proceedings for the refunding of outstanding bonds and other obligations of the Former Agency, subject to the conditions precedent contained in said Section 34177.5;

WHEREAS, said Section 34177.5 also authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Refunding Law”) for the purpose of achieving debt service savings within the parameters set forth in said Section 34177.5;

WHEREAS, in order to provide moneys to refund the [2003 and the] 2005 Bonds for the purpose of providing debt service savings in accordance with Section 34177.5(a)(1), the Successor Agency has determined to issue its Successor Agency to the Stanislaus County Redevelopment Agency [Subordinated] Tax Allocation Refunding Bonds, Series 2015 (the “2015 Bonds”);

WHEREAS, the 2015 Bonds will be issued pursuant to and in accordance with the provisions of Section 34177.5(a)(1) of the California Health and Safety Code, the Law and the Refunding Law;

WHEREAS, the 2015 Bonds, and any additional Parity Debt, will be payable from Pledged Tax Revenues (as defined herein), and the pledge of Pledged Tax Revenues to the payment of the principal of and interest on the 2015 Bonds will, as applicable, be on a basis subordinate to the Successor Agency’s pledge of specific tax increment revenues to the repayment of the Existing Bonds that remain outstanding after the issuance of the 2015 Bonds, as well as payments required under the Pass-Through Agreements, [the Prior Agreements, if any,] [and the senior Statutory Pass-Through Amounts];

WHEREAS, in order to provide for the authentication and delivery of the 2015 Bonds, to establish and declare the terms and conditions upon which the 2015 Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and redemption premium (if any) thereon, the Successor Agency and the Trustee have duly authorized the execution and delivery of this Indenture; and

WHEREAS, the Successor Agency has determined that all acts and proceedings required by law necessary to make the 2015 Bonds when executed by the Successor Agency, and authenticated and delivered by the Trustee, the valid, binding and legal special obligations of the Successor Agency, and to constitute this Indenture a legal, valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of and the interest and redemption premium (if any) on all the Bonds, including the 2015 Bonds, issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds, including the 2015 Bonds, are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds, including the 2015 Bonds, by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Successor Agency and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Bonds, including the 2015 Bonds, as follows:

ARTICLE I

DETERMINATIONS; DEFINITIONS

Section 1.01 Findings and Determinations. The Successor Agency has reviewed all proceedings heretofore taken and, as a result of such review, hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the 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 empowered, pursuant to each and every requirement of law, to issue the 2015 Bonds in the manner and form provided in this Indenture.

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

“**Bonds**” means the 2015 Bonds and any Parity Debt issued as bonds pursuant to a Supplemental Indenture.

“**Bond Counsel**” means (a) Stradling Yocca Carlson & Rauth, a Professional Corporation, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Successor Agency, of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code.

“**Bond Year**” means each twelve (12) month period extending from August 2 in one calendar year to August 1 of the succeeding calendar year, both dates inclusive; provided that the first Bond Year with respect to the Bonds shall commence on the Closing Date and end on August 1, 2016.

“**Business Day**” means any day, other than a Saturday or Sunday or a day on which commercial banks in New York, New York, or any other city or cities where the Principal Corporate Trust Office of the Trustee is located are required or authorized by law to close or a day on which the Federal Reserve System is closed.

“**Closing Date**” means the date on which a series of Bonds is delivered by the Successor Agency to the original purchaser thereof. The Closing Date with respect to the 2015 Bonds is _____, 2015.

“**Continuing Disclosure Certificate**” means that certain Continuing Disclosure Certificate, with respect to the 2015 Bonds, executed by the Successor Agency, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“**Costs of Issuance**” means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, bond insurance and surety bond premiums, if any, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee and fees and expenses of its counsel, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds, administrative costs of the Successor Agency and the County incurred in connection with the issuance of the Bonds, expenses of

the underwriters of the Bonds, the fees and expenses of counsel to the underwriters of the Bonds, and any other cost, charge or fee in connection with the original issuance of the Bonds.

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

“**County**” means the County of Stanislaus.

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

“**Defeasance Obligations**” means any of the following which, at the time of investment, are legal investments under the laws of the State for the moneys proposed to be invested therein and are in compliance with the Successor Agency’s investment policies then in effect (provided that the Trustee shall be entitled to rely upon any investment direction from the Successor Agency as conclusive certification to the Trustee that investments described therein are legal and are in compliance with the Successor Agency’s investment policies then in effect), but only to the extent the same are acquired at Fair Market Value:

- (a) Cash;
- (b) Federal Securities, including direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities;
- (c) The interest component of Resolution Funding Corporation strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form;
- (d) Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P, provided that, if the issue is rated only by S&P (i.e., there is no Moody’s rating), then the pre-refunded municipal bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals; and
- (e) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) participation certificates of the General Services Administration; (iv) Federal Financing Bank bonds and debentures; (v) guaranteed Title XI financings of the U.S. Maritime Administration; and (vi) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development.

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

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

“Depository System Participant” means any participant in the Depository’s book-entry system.

“Dissolution Act” means California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011, as it has heretofore been amended and as it may hereafter be amended.

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

“Escrow Agreement (2003 Bonds)” shall mean the Escrow Agreement dated _____ providing for the defeasance of the 2003 Bonds between the Agency and The Bank of New York Mellon Trust Company, N.A., as Escrow Agent.

“Escrow Agreement (2005 Bonds)” shall mean the Escrow Agreement dated _____ providing for the defeasance of the 2005 Bonds between the Agency and The Bank of New York Mellon Trust Company, N.A., as Escrow Agent.

“Event of Default” means any of the events described in Section 8.01.

“Existing Bonds” means:

(i) \$15,615,000 initial aggregate principal amount Stanislaus County Redevelopment Agency (Keyes Storm Drain Project) 2005 Tax Allocation Bonds (the “2005 Bonds”);

(ii) Stanislaus County Redevelopment Agency Stanislaus County Redevelopment Project No. 1 Tax Allocation Bonds, Series 2003 (the “2003 Bonds”);

[**“Existing Indenture”** means the resolution of issuance for the 2003 Bonds, consisting of Resolution No. RA-2003-767, inclusive of the Terms and Conditions as defined therein.]

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the Successor Agency and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

“Federal Securities” means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America and CATS and TGRS), or obligations the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America.

“Fiscal Year” means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve month period selected and designated by the Successor Agency to the Trustee in writing as its official fiscal year period.

“Former Agency” means the now dissolved Stanislaus County Redevelopment Agency.

“Indenture” means this Indenture of Trust by and between the Successor Agency and the Trustee, as originally entered into or as it may be amended or supplemented by any Supplemental Indenture entered into pursuant to the provisions hereof.

“Independent Accountant” means any accountant or firm of such accountants duly licensed or registered or entitled to practice as such under the laws of the State, appointed by the Successor Agency, and who, or each of whom:

(a) is in fact independent and not under domination of the Successor Agency or the County ;

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

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

“Independent Redevelopment Consultant” means any consultant or firm of such consultants appointed by the Successor Agency, and who, or each of whom:

(a) is judged by the Successor Agency to have experience in matters relating to the collection of Pledged Tax Revenues or otherwise with respect to the financing of redevelopment projects;

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

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

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

“Information Services” means, in accordance with then current guidelines of the Securities and Exchange Commission, such services providing information with respect to the redemption of

bonds as the Successor Agency may designate in a Written Request of the Successor Agency filed with the Trustee.

“**Insurer**” means the 2015 Insurer and, as applicable, the provider of a municipal bond or financial guaranty insurance policy with respect to Parity Debt.

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

“**Interest Payment Date**” means each February 1 and August 1, commencing [February 1, 2016], for so long as any of the Bonds remain Outstanding hereunder.

“**Law**” means the Community Redevelopment Law of the State, constituting Part 1 of Division 24 of the Health and Safety Code of the State, and the acts amendatory thereof and supplemental thereto (including the Dissolution Act).

“**Maximum Annual Debt Service**” means, as of the date of calculation, the largest amount for the current or any future Bond Year payable on the 2015 Bonds or any Parity Debt in such Bond Year. For purposes of such calculation, the amount of interest on any Bonds or other Parity Debt that is payable from the proceeds of such Bonds or Parity Debt that is set aside solely for such purpose shall not be included in the calculation of Maximum Annual Debt Service, and there also shall be excluded payments with respect to the 2015 Bonds or any Parity Debt to the extent that amounts due with respect to the 2015 Bonds or such Parity Debt are prepaid or otherwise discharged in accordance with this Indenture or the relevant Parity Debt Instrument.

“**Moody’s**” means Moody’s Investors Service and its successors.

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

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

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

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

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

“**Oversight Board**” means the Oversight Board of the Successor Agency established pursuant to the Section 34179 of the Dissolution Act.

“**Owner**” or “**Bondowner**” means, with respect to any Bond, the person in whose name the ownership of such Bond shall be registered on the Registration Books.

“**Parity Debt**” means any additional bonds, loans, advances or indebtedness issued or incurred by the Successor Agency on a parity with the 2015 Bonds pursuant to Section 3.05.

“Parity Debt Instrument” means resolution, indenture of trust, supplemental indenture of trust, loan agreement, trust agreement or other instrument authorizing the issuance of any Parity Debt.

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

“Pass-Through Agreements” means the following agreements and/or elections entered into pursuant to Section 33676 of the Law entered into between the Former Agency and various taxing agencies with respect to the allocation and transfer of certain Tax Revenues from Project Area 1 [List the Agreements and 33676 elections]:

(a) [the agreement among the Agency and Ceres Unified School District, dated April 2, 1992;

(b) the agreement between the Agency and the Turlock Mosquito Abatement District, dated February 25, 1992;

(c) the agreement between the Agency and the Salida Union School District, dated December 10, 1991;

(d) the agreement between the Agency and the Waterford-Hickman Fire District, dated November 13, 1992; and

(e) the agreement between the Agency and the Empire Union School District, dated April 30, 1992;

(f) the agreement between the Agency and the Modesto City Schools (the Modesto City School District. and the Modesto High School District, dated June 30,

(g) the agreement between the Agency and the Stanislaus County Office of Education, dated June 30, 1992;

(h) the agreement between the Agency and the Hughson Union High School District, dated October 14, 1991;

(i) the agreement between the Agency and the Yosemite Community College District, dated June 30, 1992;

(j) the agreement between the Agency and the Patterson Unified School District, dated October 7, 1991;

(k) the agreement between the Agency and the Stanislaus County Fire Safety District, dated June 30, 1992;

(l) the agreement between the Agency and the Salida Fire Protection District, dated August 28, 1992;

(m) the agreement between the Agency and the Keyes Fire Protection District, dated August 19, 1992;

(n) the agreement between the Agency and the Empire Fire Protection District, dated September 8, 1992;

(o) the agreement between the Agency and the Westley Community Services District, dated September 22, 1992;

(p) the agreement between the Agency and the Keyes Community Services District, dated September 22, 1992;

(q) the agreement between the Agency and the Grayson Community Services District, dated September 22, 1992;

(r) the agreement between the Agency and the Denair Community Services District, dated July 28, 1992;

(s) the agreement between the Agency and the Patterson Cemetery District, dated September 11, 1992;

(t) the agreement between the Agency and the Valley Home Joint School District, dated August 4, 1992;

(u) the agreement between the Agency and the Salida Sanitary District, dated September 22, 1992;

(v) the agreement between the Agency and the Empire Sanitary District, dated September 22, 1992;

(w) the agreement between the Agency and the West Stanislaus Irrigation District, dated September 22, 1992;

(x) the agreement between the Agency and the Eastside Mosquito Abatement District, dated September 8, 1992;

(y) the agreement between the Agency and the West Stanislaus Fire Protection District, dated September 14, 1992; and

(z) the agreement between the Agency and the Westport Fire Protection District, dated September 22, 1992.]

“Permitted Investments” means any of the following which, at the time of investment, are legal investments under the laws of the State for the moneys proposed to be invested therein and are in compliance with the Successor Agency’s investment policies then in effect (provided that the Trustee shall be entitled to rely upon any investment direction from the Successor Agency as conclusive certification to the Trustee that investments described therein are legal and are in compliance with the Successor Agency’s investment policies then in effect), but only to the extent the same are acquired at Fair Market Value:

(a) Federal Securities;

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) Federal Housing Administration debentures; (iv) participation certificates of the General Services Administration; (v) Federal Financing Bank bonds and debentures; (vi) guaranteed mortgage-backed bonds or guaranteed pass-through obligations of Ginnie Mae (formerly known as the Government National Mortgage Association); (vii) guaranteed Title XI financings of the U.S. Maritime Administration; and (viii) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development;

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities only as stripped by the agency itself): (i) senior debt obligations of the Federal Home Loan Bank System; (ii) participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation; (iii) mortgaged-backed securities and senior debt obligations of Fannie Mae; (iv) senior debt obligations of Sallie Mae (formerly known as the Student Loan Marketing Association); (v) obligations of the Resolution Funding Corporation; and (vi) consolidated system-wide bonds and notes of the Farm Credit System;

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of at least AAAM-G, AAAM or AAM, and a rating by Moody's of Aaa, Aa1 or Aa2, including such funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Trustee or an affiliate of the Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

(e) Certificates of deposit (including those of the Trustee, its parent and its affiliates) secured at all times by collateral described in (a) or (b) above or by collateral that may be used by a national bank for purposes of satisfying its obligations to collateralize pursuant to federal law, which have a maturity not greater than one year from the date of investment and which are issued by commercial banks, savings and loan associations or mutual savings banks;

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits (including those of the Trustee and its affiliates), but only to the extent that the amount being invested in such certificates of deposit, savings accounts, deposit accounts or money market deposits are fully insured by FDIC, including BIF and SAIF, secured at all times by collateral described in (a) or (b) above or by collateral that may be used by a national bank for purposes of satisfying its obligations to collateralize pursuant to federal law;

(g) Investment agreements, including guaranteed investment contracts, forward purchase agreements, reserve fund put agreements and collateralized investment agreements with an

entity rated “Aa” or better by Moody’s and “AA” or better by S&P, or unconditionally guaranteed by an entity rated “Aa” or better by Moody’s and “AA” or better by S&P;

(h) Commercial paper rated, at the time of purchase, “Prime-1” by Moody’s and “A-1+” or better by S&P;

(i) Bonds or notes issued by any state or municipality which are rated by Moody’s and S&P in one of the two highest rating categories assigned by such agencies;

(j) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of “Prime-1” or “A3” or better by Moody’s, and “A-1+” by S&P; and

(k) The Local Agency Investment Fund that is administered by the California Treasurer for the investment of funds belonging to local agencies within the State of California, provided that for investment of funds held by the Trustee, the Trustee is entitled to make investments and withdrawals in its own name as Trustee.

“Pledged Tax Revenues” means all taxes that were eligible for allocation to the Former Agency with respect to the Project Area and are allocated to the Successor Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws and that are deposited in the RPTTF, excluding (i) [the portion of such taxes required to pay debt service on the Existing Bonds, but only to the extent that such taxes were pledged to the payment of debt service on the Existing Bonds, (ii) [payments required pursuant to the Prior Agreements], (iii) [payments required pursuant to the Senior Pass-Through Agreements] [to the extent not subordinated to payments on the 2015 Bonds or any additional bonds by their terms], (iv) and (v) [all Statutory Pass-Through Amounts unless such payments are subordinated to payments on the 2015 Bonds or any additional Bonds or to the payments owed under any Parity Debt Instrument pursuant to Section 33607.5(e) of the Law and 34177.5(c) of the Dissolution Act].

“Principal Account” means the account by that name established and held by the Trustee pursuant to Section 4.03(b).

“Principal Corporate Trust Office” means the corporate trust office of the Trustee in Los Angeles, California, or such other or additional offices as the Trustee may designate in writing to the Successor Agency from time to time as the corporate trust office for purposes of the Indenture; except that with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term means the office or agency of the Trustee at which, at any particular time, its corporate trust agency business is conducted.

“Prior Agreements” means the following:

(i) Agreement dated November 5, 1991 between the Former Agency and certain named Residents (related to affordability housing), but only to the extent such obligation is determined to be an enforceable obligation in accordance with the Dissolution Act.

(ii) Loan Contract dated April 12, 1995 between the State Water Resources Control Board and the County, to the extent payable by the Former Agency.

“Project Area” means the redevelopment Project Area described in the Redevelopment Plan.

“Qualified Reserve Account Credit Instrument” means (i) the 2015 Reserve Policy, and (ii) an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company and deposited with the Trustee, provided that all of the following requirements are met at the time of acceptance thereof by the Trustee: (a) S&P or Moody’s have assigned a long-term credit rating to such bank or insurance company of “A” (without regard to modifier) or higher; (b) such letter of credit, insurance policy or surety bond has a term of at least 12 months; (c) such letter of credit, insurance policy or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released; and (d) the Trustee is authorized pursuant to the terms of such letter of credit, insurance policy or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.03(a), 4.03(b) or 4.03(c) of this Indenture.

“Rebate Fund” means the fund by that name referenced in Section 4.04 of this Indenture.

“Rebate Regulations” means the final Treasury Regulations issued under Section 148(f) of the Code.

“Recognized Obligation Payment Schedule” means a Recognized Obligation Payment Schedule, each prepared and approved from time to time pursuant to subdivision (l) of Section 34177 of the California Health and Safety Code.

“Record Date” means, with respect to any Interest Payment Date, the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day.

“Redemption Account” means the account by that name established and held by the Trustee pursuant to Section 4.03(d).

“Redevelopment Obligation Retirement Fund” means the fund by that name established pursuant to California Health and Safety Code Section 34170.5(b) and administered by the Successor Agency.

“Redevelopment Plan” means the redevelopment plan for the Stanislaus County Redevelopment Project No. 1 originally adopted by the County Board of Supervisors pursuant to Ordinance No. C.S. 440, as heretofore amended and as may hereafter be amended in accordance with the law.

“Redevelopment Project” means the undertaking of the Successor Agency pursuant to the Redevelopment Plan and the Law for the redevelopment of the Project Area.

“Redevelopment Property Tax Trust Fund” or **“RPTTF”** means the fund by that name established pursuant to California Health & Safety Code Sections 34170.5(a) and 34172(c) and administered by the Auditor-Controller of the County of Stanislaus.

“Refunded Obligations” means the [2003 Bonds and the] 2005 Bonds.

“**Refunding Law**” means Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State, and the acts amendatory thereof and supplemented thereto.

“**Registration Books**” means the records maintained by the Trustee pursuant to Section 2.08 for the registration and transfer of ownership of the Bonds.

“**Report**” means a document in writing signed by an Independent Redevelopment Consultant and including:

(a) a statement that the person or firm making or giving such Report has read the pertinent provisions of this Indenture to which such Report relates;

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

(c) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said consultant to express an informed opinion with respect to the subject matter referred to in the Report.

“**Reserve Account**” means the account by that name established and held by the Trustee pursuant to Section 4.03(c).

“**Reserve Requirement**” means, subject to Section 4.02(c) of this Indenture, with respect to the 2015 Bonds, and each series of Parity Debt issued in the form of Bonds, the lesser of

(i) 125% of the average Annual Debt Service with respect to that series of the Bonds,

(ii) Maximum Annual Debt Service with respect to that series of the Bonds, or

(iii) with respect to an individual series of Bonds, 10% of the original principal amount of a series of Bonds (or, if such series of Bonds has more than a de minimis amount of original issue discount or premium, 10% of the issue price of such series of Bonds);

provided, that in no event shall the Successor Agency, in connection with the issuance of Parity Debt in the form of Bonds pursuant to a Supplemental Indenture be obligated to deposit an amount in the Reserve Account which is in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, in the event the amount of any such deposit into the Reserve Account is so limited, the Reserve Requirement shall, in connection with the issuance of such Parity Debt issued in the form of Bonds, be increased only by the amount of such deposit as permitted by the Code; and, provided further that the Successor Agency may meet all or a portion of the Reserve Requirement by depositing a Qualified Reserve Account Credit Instrument meeting the requirements of Section 4.03(c) hereof.

“**S&P**” means Standard & Poor’s Financial Services LLC, a division of McGraw Hill Financial, and its successors.

“**Securities Depositories**” means The Depository Trust Company, New York, New York 10041-0099, Fax-(212) 855-7232; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Successor Agency may designate in a Written Request of the Successor Agency delivered to the Trustee.

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

“**Serial Bonds**” means all Bonds other than Term Bonds.

“**Special Fund**” means the fund held by the Successor Agency established pursuant to Section 4.02.

“**State**” means the State of California.

[“**Statutory Pass-Through Amounts**” means amounts required to be paid to taxing agencies pursuant to Sections 33607.5 and 33607.7 of the Law, if any.]

“**Subordinate Debt**” means any loans, advances or indebtedness issued or incurred by the Successor Agency pursuant to Section 3.06, which are either: (a) payable from, but not secured by a pledge of or lien upon, the Pledged Tax Revenues; or (b) secured by a pledge of or lien upon the Pledged Tax Revenues which is expressly subordinate to the pledge of and lien upon the Pledged Tax Revenues hereunder for the security of the 2015 Bonds, the Existing Bonds and any Parity Debt.

“**Subordinate Debt Instrument**” means any instrument providing for the issuance of Subordinate Debt.

“**Supplemental Indenture**” means any resolution, agreement or other instrument which has been duly adopted or entered into by the Successor Agency, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“**Tax Certificate**” means that certain Tax Certificate executed by the Successor Agency with respect to the Bonds.

[“**Tax Revenues**” shall have the meaning assigned to such term in the Existing Indenture.]

“**Term Bonds**” means (i) the 2015 Bonds maturing on August 1, 20__, and August 1, 20__, and (ii) that portion of any other Bonds payable from mandatory sinking account payments.

“**Trustee**” means The Bank of New York Mellon Trust Company, N.A., as trustee hereunder, or any successor thereto appointed as trustee hereunder in accordance with the provisions of Article VI.

“**Written Request of the Successor Agency**” or “**Written Certificate of the Successor Agency**” means a request or certificate, in writing signed by the Administrator or Treasurer of the Successor Agency, or the designee of either, or by any other officer of the Successor Agency or the County duly authorized by the Successor Agency for that purpose.

“**2003 Bonds**” has the meaning ascribed thereto in the recitals hereof.

“**2005 Bonds**” has the meaning ascribed thereto in the recitals hereof.

“**2015 Insurance Policy**” means [TO COME].

“**2015 Insurer**” means [TO COME].

“**2015 Reserve Account Agreement**” means [TO COME].

“**2015 Reserve Policy**” means [TO COME].

Section 1.03 Rules of Construction. All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

AUTHORIZATION AND TERMS

Section 2.01 Authorization of 2015 Bonds. The 2015 Bonds are hereby authorized to be issued by the Successor Agency under and subject to the terms of this Indenture, the Refunding Law, the Dissolution Act and the Law. This Indenture constitutes a continuing agreement with the Owners of all of the Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal and redemption premiums (if any) and the interest on all Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. Such initial issue of Bonds shall be designated the “Successor Agency to the Stanislaus County Redevelopment Agency [Subordinated] Tax Allocation Refunding Bonds, Series 2015” (the “2015 Bonds”). The 2015 Bonds shall be issued in the initial aggregate principal amount of \$_____.

Section 2.02 Terms of 2015 Bonds. The 2015 Bonds shall be issued in fully registered form without coupons. The 2015 Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof, so long as no 2015 Bond shall have more than one maturity date. The 2015 Bonds shall be dated as of their Closing Date. The 2015 Bonds shall be lettered and numbered as the Trustee shall prescribe.

The 2015 Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rate per annum as follows:

<i>Maturity Date (August 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
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Each 2015 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before [January 15, 2016], in which event it shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any 2015 Bond, interest thereon is in default, such 2015 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the 2015 Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed on the Interest Payment Date to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of the 2015 Bonds, which written request is on file with the Trustee as of any Record Date, interest on such 2015 Bonds shall be paid on the succeeding Interest Payment Date to such account in the United States as shall be specified in such written request. The principal of the 2015 Bonds and any premium upon redemption, are payable in lawful money of the United States of America upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee.

Section 2.03 Redemption of 2015 Bonds.

(a) Optional Redemption. The 2015 Bonds maturing on or prior to August 1, 20[25] are not subject to optional redemption. The 2015 Bonds maturing on or after August 1, 20[26], are subject to optional redemption prior to their respective maturity dates as a whole, or in part by lot, on any date on or after August 1, 20[25], by such maturity or maturities as shall be directed by the Successor Agency (or in absence of such direction, pro rata by maturity and by lot within a maturity), from any source of available funds. Such optional redemption shall be at a

redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem 2015 Bonds under this subsection (a) with a designation of the principal amount and maturities to be redeemed at least forty five (45) days prior to the date fixed for such redemption (or such later date as shall be acceptable to the Trustee in the sole determination of the Trustee), and shall transfer to the Trustee for deposit in the Debt Service Fund all amounts required for such redemption not later than the date fixed for such redemption.

(b) Mandatory Sinking Fund Redemption. The 2015 Bonds that are Term Bonds maturing August 1, 20__ and August 1, 20__ shall also be subject to mandatory redemption in whole, or in part by lot, on August 1 in each year, commencing August 1, 20__ and August 1, 20__, respectively, as set forth below, from sinking fund payments made by the Successor Agency to the Principal Account pursuant to Section 4.03(b), at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on August 1 in the respective years as set forth in the following table[s]; provided however, that (y) in lieu of redemption thereof such Series 2015 Term Bonds may be purchased by the Successor Agency pursuant to Section 2.03(g) hereof, and (z) if some but not all of such Series 2015 Term Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Series 2015 Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee).

Series 2015 Term Bonds of 20__

<i>August 1</i>	<i>Principal Amount</i>
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Series 2015 Term Bonds of 20__

<i>August 1</i>	<i>Principal Amount</i>
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(c) Notice of Redemption; Rescission. The Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail, postage prepaid) notice of any redemption at least thirty (30) but not more than sixty (60) days prior to the redemption date, (i) to any Insurer and to the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Securities Depositories and one or more Information Services designated in a Written Request of the Successor Agency filed with the Trustee; but such mailing

shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state, in the case of a redemption pursuant to (a) above, that such redemption is conditioned upon the timely delivery of the redemption price by the Successor Agency to the Trustee for deposit in the Redemption Account, shall designate the CUSIP number of the Bonds to be redeemed, shall state the individual number of each Bond to be redeemed or shall state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding are to be redeemed, and shall require that such Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

The Successor Agency shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent; provided, however, the notice of rescission shall not be required to be mailed within the time period required for the notice of redemption.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(d) Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the Successor Agency shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new Bond or Bonds of the same interest rate and maturity, of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

(e) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the Bonds so called for redemption shall have been duly deposited with the Trustee, such Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

(f) Manner of Redemption. Whenever any Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the Successor Agency thereof to the extent Bonds are no longer held in book-entry form. In the event of redemption by lot of Bonds, the Trustee shall assign to each Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such Bond. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Bond of a denomination of more

than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. All Bonds redeemed or purchased pursuant to this Section 2.03 shall be cancelled and destroyed.

(g) Purchase in Lieu of Redemption. In lieu of redemption of the Term Bonds pursuant to the subsection (b) above or pursuant to a Supplemental Indenture, amounts on deposit in the Special Fund or in the Principal Account may also be used and withdrawn by the Successor Agency and the Trustee, respectively, at any time, upon the Written Request of the Successor Agency, for the purchase of the Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Successor Agency may in its discretion determine. The par amount of any Term Bonds so purchased by the Successor Agency in any twelve-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of the Term Bonds required to be redeemed pursuant to subsection (d) on September 1 in each year; provided that evidence satisfactory to the Trustee of such purchase has been delivered to the Trustee by said July 1.

Section 2.04 Form of 2015 Bonds. The 2015 Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the form set forth in Exhibit A, which is attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

Section 2.05 Execution of Bonds. The Bonds shall be executed on behalf of the Successor Agency by the signature of the Chair, Executive Director or [Treasurer] or the written designee of any of them and the signature of the [Clerk] who are in office on the date of execution and delivery of this Indenture or at any time thereafter. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the purchaser. Any Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual date of the execution of such Bond shall be the proper officers of the Successor Agency although on the date of such Bond any such person shall not have been such officer of the Successor Agency.

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

Section 2.06 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Principal Corporate Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Bond shall be surrendered for transfer, the Successor Agency shall execute and the Trustee shall thereupon authenticate and deliver to the transferee a new Bond or Bonds of like tenor, maturity and aggregate principal amount

of authorized denominations. The Trustee shall require the payment by the Owner of any tax or other governmental charge on the transfer of any Bonds pursuant to this Section 2.06. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Successor Agency.

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

Section 2.07 Exchange of Bonds. Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for Bonds of the same tenor and maturity and of other authorized denominations. The Trustee shall require the payment by the Owner of any tax or other governmental charge on the exchange of any Bonds pursuant to this Section 2.07. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the Successor Agency.

The Trustee may refuse to exchange, under the provisions of this Section 2.07, either (a) any Bonds during the fifteen (15) days prior to the date established by the Trustee for the selection of Bonds for redemption or (b) any Bonds selected by the Trustee for redemption.

Section 2.08 Registration of Bonds. The Trustee will keep or cause to be kept, at its Principal Corporate Trust Office, sufficient records for the registration and registration of transfer of the Bonds, which shall at all times during normal business hours be open to inspection and copying by the Successor Agency, upon reasonable prior notice to the Trustee; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books Bonds as hereinbefore provided.

Section 2.09 Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Successor Agency, and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Successor Agency upon the same conditions and in substantially the same manner as the definitive Bonds. If the Successor Agency issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange therefor at the Principal Corporate Trust Office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations, interest rates and like maturities. Until so exchanged, the temporary Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.10 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Successor Agency, at the expense of the Owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the

Successor Agency, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and amount in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond has matured or has been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee and the Successor Agency). The Successor Agency may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.10 and of the expenses which may be incurred by the Successor Agency and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Successor Agency whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued pursuant to this Indenture.

Section 2.11 Book-Entry System.

(a) Original Delivery. The Bonds shall be initially delivered in the form of a separate single fully registered Bond without coupons (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the ownership of each such Bond shall be registered on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, neither the Successor Agency nor the Trustee shall have any responsibility or obligation to any Depository System Participant or to any person on behalf of which the Depository System Participant holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, neither the Successor Agency nor the Trustee shall have any responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bondowner as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the Successor Agency elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bondowner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The Successor Agency and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal, premium and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and interest and premium, if any, on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than a Bondowner shall receive a Bond evidencing the obligation of the Successor Agency to make payments of principal, interest and premium, if any, pursuant to this Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes;

and upon receipt of such a notice the Successor Agency shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the Successor Agency and the Trustee shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Successor Agency or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Bondowners. The Trustee agrees to comply with all provisions in such letter with respect to the giving of notices thereunder by the Trustee. In addition to the execution and delivery of such letter, upon written request of the Depository or the Trustee, the Successor Agency may take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the Successor Agency determines to terminate the Depository as such, then the Successor Agency shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Successor Agency and the Trustee in the issuance of replacement Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Successor Agency fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Article II. Prior to its termination, the Depository shall furnish the Trustee with the names and addresses of the Depository System Participants and respective ownership interests thereof.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

Section 2.12 Applicability of Provisions to Additional Bonds. Unless otherwise provided in a Supplemental Indenture, the provisions of Sections 2.03(c) through (g) and 2.05 through 2.11 shall apply to Parity Debt.

ARTICLE III

DEPOSIT AND APPLICATION; ADDITIONAL DEBT

Section 3.01 Issuance of Bonds. Upon the execution and delivery of this Indenture, the Successor Agency shall execute and deliver to the Trustee the 2015 Bonds in the aggregate principal amount of \$ _____, and the Trustee shall authenticate and deliver the 2015 Bonds upon the Written Request of the Successor Agency.

Section 3.02 Application of Proceeds of Sale and Certain Other Amounts.

(a) On the Closing Date with respect to the 2015 Bonds, the proceeds of sale of the 2015 Bonds, being \$_____ (calculated as the par amount thereof, plus original issue premium, less the discount of the original purchaser thereof in the amount of \$_____, less the portion of the premium for the 2015 Insurance Policy allocable to the 2015 Bonds in the amount of \$_____ paid directly to the 2015 Insurer, and less the portion of the premium for the 2015 Reserve Policy allocable to the 2015 Bonds in the amount of \$_____ paid directly to the 2015 Insurer), shall be paid to the Trustee and applied as follows:

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

(ii) The Trustee shall deposit \$_____ to the Escrow Fund.

(b) [In addition to making the deposits set forth above, the Successor Agency will transfer to the Trustee for deposit in the Interest Account \$_____ to be used to pay interest on the 2015 Bonds on February 1, 2016.]

Section 3.03 Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Costs of Issuance Fund", which shall be held by the Trustee in trust. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance with respect to the 2015 Bonds upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date which is six (6) months following the Closing Date with respect to the 2015 Bonds, or upon the earlier Written Request of the Successor Agency, all amounts (if any) remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Interest Account within the Debt Service Fund, and the Costs of Issuance Fund shall be closed.

Section 3.04 Escrow Fund. There is hereby established a separate fund to be known as the "Escrow Fund", which shall be held by the Trustee in trust. The moneys deposited in the Escrow Fund on the Closing Date shall be immediately transferred concurrently to the Escrow Agent under the Escrow Agreement[s] in accordance with written instructions from the Successor Agency, whereupon the Escrow Fund shall be closed.

Section 3.05 Issuance of Parity Debt. In addition to the 2015 Bonds, the Successor Agency may issue additional bonds (including pursuant to a Supplemental Indenture) or incur other loans, advances or indebtedness payable from Pledged Tax Revenues on a parity with the 2015 Bonds to refund any of the Existing Bonds or outstanding Bonds or Parity Debt in such principal amount as shall be determined by the Successor Agency. The Successor Agency may issue and deliver any such Parity Debt subject to the following specific conditions all of which are hereby made conditions precedent to the issuance and delivery of such Parity Debt:

(a) No event of default hereunder or under any Parity Debt Instrument shall have occurred and be continuing unless such event of default will be cured by the issuance of such Parity Debt;

(b) The issuance of the Parity Debt shall comply with the requirements of Section 34177.5(a)(1) of the Dissolution Act;

(c) In the event the Successor Agency issues additional Bonds pursuant to a Supplemental Indenture, the Successor Agency shall cause the amount on deposit in the Reserve Account to equal the Reserve Requirement; and

(d) The Successor Agency shall deliver to the Trustee a Written Certificate of the Successor Agency certifying that the conditions precedent to the issuance of such Parity Debt set forth above have been satisfied.

Section 3.06 Issuance of Subordinate Debt. The Successor Agency may issue or incur Subordinate Debt in such principal amount as shall be determined by the Successor Agency. Such Subordinate Debt may be payable from any assets or property of the Successor Agency, including Pledged Tax Revenues, on a subordinate basis to the payment of debt service on the Bonds.

Section 3.07 [Reserved]

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

Section 4.01 Security of Bonds; Equal Security. Except as may otherwise be provided in Section 4.02, Section 5.17 and Section 6.06, the 2015 Bonds and any Parity Debt shall be equally secured by a pledge of, security interest in and lien on all of the Pledged Tax Revenues and the moneys in the Special Fund, and the 2015 Bonds and any additional Bonds shall also be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Redemption Account and the Reserve Account (including any subaccounts therein) without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Except for the Pledged Tax Revenues, which constitute the amounts deposited in the Redevelopment Property Tax Trust Fund that are not pledged to other obligations of the Former Agency or the Successor Agency [on a prior lien basis], and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Bonds.

In consideration of the acceptance of the Bonds by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

Section 4.02 Special Fund; Deposit of Pledged Tax Revenues. There is hereby established a special fund to be known as the “[Subordinate] Bonds Special Fund” which is to be held by the Successor Agency within the Redevelopment Obligation Retirement Fund and which shall also be known as the “Special Fund.” The Redevelopment Obligation Retirement Fund,

including the [Subordinate] Bonds Special Fund therein, shall be held by the Successor Agency separate and apart from other funds of the Successor Agency.

[The Successor Agency shall deposit all of the Pledged Tax Revenues received with respect to any Semiannual Period in accordance with Section 5.13 hereof into the Special Fund promptly upon receipt thereof by the Successor Agency. All Pledged Tax Revenues received by the Successor Agency in excess of the amount required to make the deposits required herein in order to pay debt service on the Bonds and any Parity Debt and to make any other payments due hereunder, and except as may be provided to the contrary in this Indenture or in any Supplemental Indenture or Parity Debt Instrument, shall be released from the pledge and lien hereunder and shall be applied in accordance with the Law, including but not limited to the payment of debt service on any Subordinate Debt. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Bonds and the payment in full of all other amounts payable hereunder and under any Supplemental Indentures or other Parity Debt Instrument, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Special Fund, except as may be provided in this Indenture and in any Supplemental Indenture or other Parity Debt Instrument.]

Section 4.03 Deposit of Amounts by Trustee. There is hereby established a trust fund to be known as the Debt Service Fund, which shall be held by the Trustee hereunder in trust. Moneys in the Special Fund shall be transferred by the Successor Agency to the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are hereby established in the Debt Service Fund, and in the following order of priority (provided further that, if on the fifth (5th) Business Day prior to the date the Successor Agency is required to transfer amounts on deposit in the Special Fund to the Trustee there are not amounts on deposit therein sufficient to make the following deposits, taking into accounts amounts required to be transferred with respect to Parity Debt other than Bonds, the Successor Agency shall immediately notify the Trustee of the amount of any such insufficiency):

(a) Interest Account. On or before the fifth (5th) Business Day preceding each Interest Payment Date, commencing with the Interest Payment Date of February 1, 2016, the Successor Agency shall withdraw from the Special Fund and transfer to the Trustee, for deposit in the Interest Account an amount which when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds redeemed prior to maturity pursuant to this Indenture).

(b) Principal Account. On or before the fifth (5th) Business Day preceding September 1 in each year beginning August 1, 2016, the Successor Agency shall withdraw from the Special Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then contained in the Principal Account, will be equal to the principal becoming due and payable on the Outstanding Serial Bonds and Outstanding Term Bonds, including pursuant to mandatory sinking account redemption, on the next August 1. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next August 1 on all of the Outstanding Serial Bonds and Term Bonds. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose

of paying the principal of the Serial Bonds and the Term Bonds, including by mandatory sinking account redemption, as the same shall become due and payable.

(c) Reserve Account. There is hereby established in the Debt Service Fund a separate account known as the "Reserve Account" solely as security for payments payable by the Successor Agency pursuant to this Section 4.03 and pursuant to any Supplemental Indenture or other Parity Debt Instrument, which shall be held by the Trustee in trust for the benefit of the Owners of the Bonds and any Parity Debt. The Reserve Requirement for the 2015 Bonds will be satisfied by the delivery of the 2015 Reserve Policy by the 2015 Insurer on the Closing Date with respect to the 2015 Bonds. The Successor Agency will have no obligation to replace the 2015 Reserve Policy or to fund the Reserve Account with cash if, at any time that the 2015 Bonds are Outstanding, amounts are not available under the 2015 Reserve Policy other than in connection with a draw on the 2015 Reserve Policy.

Except as provided in the preceding paragraph and as may be provided in a Supplemental Indenture or Parity Debt Instrument, in the event that the amount on deposit in the Reserve Account at any time becomes less than the Reserve Requirement, the Trustee shall promptly notify the Successor Agency of such fact. Upon receipt of any such notice and as promptly as is permitted by the Law, the Successor Agency shall transfer to the Trustee an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account.

The amounts available under the 2015 Reserve Policy shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts with respect to the payment of debt service on the 2015 Bonds.

Except as provided above, the amount on deposit in the Reserve Account shall be maintained at the Reserve Requirement at all times prior to the payment of the Bonds and any Parity Debt in full. If there shall then not be sufficient Pledged Tax Revenues to transfer an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account, the Successor Agency shall be obligated to continue making transfers as Pledged Tax Revenues become available until there is an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account. No such transfer and deposit need be made to the Reserve Account so long as there shall be on deposit therein a sum at least equal to the Reserve Requirement. All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers pursuant to any Parity Debt Instrument and hereunder to the Interest Account, the Principal Account and the Sinking Account, in the event of any deficiency at any time in any of such accounts or for the retirement of all the Bonds then Outstanding, except that so long as the Successor Agency is not in default hereunder or under any Parity Debt Instrument, any amount in the Reserve Account in excess of the Reserve Requirement shall be withdrawn from the Reserve Account semiannually on or before two (2) Business Days preceding each February 1 and August 1 by the Trustee and deposited in the Interest Account or be applied pro rata in accordance with any applicable provision of a Parity Debt Instrument. All amounts in the Reserve Account on the Business Day preceding the final Interest Payment Date shall be withdrawn from the Reserve Account and shall be transferred to the Interest Account and the Principal Account, in such order, to the extent required to make the deposits then required to be made pursuant to this Section 4.03 or shall be applied pro rata as required by any Parity Debt Instrument, as applicable.

The Successor Agency shall have the right at any time to direct the Trustee to release funds from the Reserve Account, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Account Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the Bonds or any Parity Debt the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Trustee, and upon delivery by the Successor Agency to the Trustee of written calculation of the amount permitted to be released from the Reserve Account (upon which calculation the Trustee may conclusively rely), the Trustee shall transfer such funds from the Reserve Account to the Successor Agency to be applied in accordance with the Law. The Trustee shall comply with all documentation relating to a Qualified Reserve Account Credit Instrument as shall be required to maintain such Qualified Reserve Account Credit Instrument in full force and effect and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this paragraph (d). Upon the expiration of any Qualified Reserve Account Credit Instrument, the Successor Agency shall either (i) replace such Qualified Reserve Account Credit Instrument with a new Qualified Reserve Account Credit Instrument, or (ii) deposit or cause to be deposited with the Trustee an amount of funds equal to the Reserve Requirement, to be derived from the first legally available Pledged Tax Revenues. If the Reserve Requirement is being maintained partially in cash and partially with a Qualified Reserve Account Credit Instrument, the cash shall be first used to meet any deficiency which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.03(a) or 4.03(b) of this Indenture. If the Reserve Requirement is being maintained with two or more Qualified Reserve Account Credit Instruments, any draw to meet a deficiency which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.03(a), 4.03(b) or 4.03(c) of this Indenture shall be pro-rata with respect to each such instrument. If the Reserve Requirement with respect to a particular series of Bonds is secured by a Qualified Reserve Account Credit Instrument that relates only to such series of Bonds, the calculation of Reserve Requirement for such series of Bonds shall be calculated on a stand-alone basis.

The Reserve Account may be maintained in the form of one or more separate sub-accounts which are established for the purpose of holding the proceeds of separate issues of the Bonds and any Parity Debt in conformity with applicable provisions of the Code to the extent directed by the Successor Agency in writing to the Trustee. Additionally, the Successor Agency may, in its discretion, combine amounts on deposit in the Reserve Account and on deposit in any reserve account relating to any (but not necessarily all) Parity Debt not issued as Bonds in order to maintain a combined reserve account for the Bonds and any (but not necessarily all) Parity Debt.

(d) Redemption Account. On or before the Business Day preceding any date on which Bonds are to be redeemed pursuant to Section 2.03(a), the Trustee shall withdraw from the Debt Service Fund any amount transferred by the Successor Agency pursuant to Section 2.03(a) for deposit in the Redemption Account, such amount being the amount required to pay the principal of and premium, if any, on the 2015 Bonds and on other Bonds to be redeemed on such date pursuant to Section 2.03(a) or a similar provision of a Supplemental Indenture. All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the 2015 Bonds and on such other Bonds to be redeemed pursuant to Section 2.03(a) or a similar provision of a Supplemental Indenture on the date set for such redemption. Interest due on the 2015 Bonds or such other Bonds to be redeemed on the date set for redemption shall, if applicable, be paid from funds available therefor in the Interest Account.

Notwithstanding the foregoing, at any time prior to giving notice of redemption of any such 2015 Bonds or such other Bonds, the Trustee may, at the direction of the Successor Agency, apply amounts deposited or otherwise to be deposited in the Redemption Account to the purchase of the 2015 Bonds or such other Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest on such 2015 Bond or such other Bonds, which is payable from the Interest Account) as shall be directed by the Successor Agency.

Section 4.04 Rebate Fund. The Trustee shall establish the Rebate Fund for the 2015 Bonds, when needed, and the Successor Agency shall comply with the requirements below. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. All amounts on deposit in the Rebate Fund shall be governed by this Section and the applicable Tax Certificate, unless the Successor Agency obtains an opinion of Bond Counsel that the exclusion from gross income of interest on the 2015 Bonds will not be adversely affected for federal income tax purposes if such requirements are not satisfied.

(a) Excess Investment Earnings.

(i) Computation. Within 55 days of the end of each fifth Computation Year with respect to the 2015 Bonds, the Successor Agency shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Rebate Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g., the temporary investments exception of Section 148(f)(4)(B) and the construction expenditure exception of Section 148(f)(4)(C) of the Code), for this purpose treating the last day of the applicable Computation Year as a computation date, within the meaning of Section 1.148-1(b) of the Rebate Regulations (the “Rebatable Arbitrage”). The Successor Agency shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(ii) Transfer. Within 55 days of the end of each fifth Computation Year with respect to the 2015 Bonds, upon the Finance Officer’s written direction, an amount shall be deposited to the Rebate Fund by the Trustee from any legally available funds, including the other funds and accounts established herein, so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with clause (i) of this Section 4.04(a). In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon written instructions from the Finance Officer, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Debt Service Fund.

(iii) Payment to the Treasury. The Successor Agency shall direct the Trustee in writing to pay to the United States Treasury, out of amounts in the Rebate Fund.

(X) Not later than 60 days after the end of (A) the fifth Computation Year with respect to the 2015 Bonds, and (B) each applicable fifth Computation Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Computation Year; and

(Y) Not later than 60 days after the payment of all the 2015 Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such

applicable Computation Year, and any income attributable to the Rebateable Arbitrage, computed in accordance with Section 148(f) of the Code.

In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the Successor Agency shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source, including the other funds and accounts established herein, equal to such deficiency in the Rebate Fund prior to the time such payment is due. Each payment required to be made pursuant to this Subsection 4.04(a)(iii) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T prepared by the Successor Agency, or shall be made in such other manner as provided under the Code.

(b) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption and payment of the 2015 Bonds and the payments described in Section 4.04(a)(iii), shall be transferred by the Trustee to the Successor Agency at the written direction of the Successor Agency and utilized in any manner by the Successor Agency.

(c) Survival of Defeasance. Notwithstanding anything in this Section 4.04 or this Indenture to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance of the 2015 Bonds and any Parity Bonds.

(d) Trustee Responsible. The Trustee shall have no obligations or responsibilities under this Section other than to follow the written directions of the Successor Agency. The Trustee shall have no responsibility to make any calculations of rebate or to independently review or verify such calculations.

Section 4.05 Provisions Relating to 2015 Insurance Policy. [TO COME]

Section 4.06 Provisions Relating to 2015 Reserve Policy. [TO COME]

ARTICLE V

OTHER COVENANTS OF THE SUCCESSOR AGENCY

Section 5.01 Punctual Payment. The Successor Agency shall punctually pay or cause to be paid the principal and interest to become due in respect of all the Bonds together with the premium thereon, if any, in strict conformity with the terms of the Bonds and of this Indenture. The Successor Agency shall faithfully observe and perform all of the conditions, covenants and requirements of this Indenture, all Supplemental Indentures and the Bonds. Nothing herein contained shall prevent the Successor Agency from making advances of its own moneys howsoever derived to any of the uses or purposes referred to herein.

Section 5.02 Limitation on Additional Indebtedness; Against Encumbrances. The Successor Agency hereby covenants that, so long as the Bonds are Outstanding, the Successor Agency shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Pledged Tax Revenues except for obligations issued to refund any of the [Existing Bonds or the] 2015 Bonds or any Parity Debt, but only if the requirements of Section 3.05, as applicable, are met, and to issue

Subordinate Debt. The Successor Agency will not otherwise encumber, pledge or place any charge or lien upon any of the Pledged Tax Revenues or other amounts pledged to the Bonds superior or equal to the pledge and lien herein created for the benefit of the Bonds.

Section 5.03 Extension of Payment. The Successor Agency will not, directly or indirectly, extend or consent to the extension of the time for the payment of any Bond or claim for interest on any of the Bonds and will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or funding the Bonds or claims for interest in any other manner. In case the maturity of any such Bond or claim for interest shall be extended or funded, whether or not with the consent of the Successor Agency, such Bond or claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Section 5.04 Payment of Claims. The Successor Agency shall promptly pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Successor Agency or upon the Pledged Tax Revenues or other amounts pledged to the payment of the Bonds, or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said claims.

Section 5.05 Books and Accounts; Financial Statements. The Successor Agency shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Successor Agency and the County, in which complete and correct entries shall be made of all transactions relating to the Projects, the Pledged Tax Revenues and the Special Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the 2015 Insurer, any other Insurer and the Owners of not less than ten percent (10%) in aggregate principal amount of the Bonds then Outstanding, or their representatives authorized in writing.

The Successor Agency will cause to be prepared, within [one hundred and eighty (180) days] after the close of each Fiscal Year so long as the Bonds are Outstanding, complete audited financial statements with respect to such Fiscal Year showing the Pledged Tax Revenues, all disbursements of Pledged Tax Revenues and the financial condition of the Redevelopment Project, including the balances in all funds and accounts relating to the Redevelopment Project, as of the end of such Fiscal Year. The Successor Agency shall promptly furnish a copy of such financial statements to the Trustee, the 2015 Insurer and any other Insurer at no expense and to any Owner upon reasonable request and at the expense of such Owner. In addition, the Successor Agency shall deliver to the Trustee, the 2015 Insurer and any other Insurer, on or about February 1 of each year, a Written Certificate of the Successor Agency stating that the Successor Agency is in compliance with its obligations hereunder. The Trustee shall have no obligation to review any financial statements provided to it by the Successor Agency.

The Successor Agency agrees, consents and will cooperate in good faith to provide information reasonably requested by the 2015 Insurer and will further provide appropriately designated individuals and officers to discuss the affairs, finances and accounts of the Successor Agency or any other matter as the 2015 Insurer may reasonably request.

Section 5.06 Protection of Security and Rights of Owners. The Successor Agency will preserve and protect the security of the Bonds and the rights of the Owners. From and after the Closing Date with respect to the 2015 Bonds, the 2015 Bonds shall be incontestable by the Successor Agency.

Section 5.07 Payments of Taxes and Other Charges. Except as otherwise provided herein, the Successor Agency will pay and discharge, or cause to be paid and discharged, all taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Successor Agency or the properties then owned by the Successor Agency in the Redevelopment Project, or upon the revenues therefrom when the same shall become due. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said taxes, assessments or charges. The Successor Agency will duly observe and conform with all valid requirements of any governmental authority relative to the Redevelopment Project or any part thereof.

Section 5.08 Taxation of Leased Property. All amounts derived by the Successor Agency pursuant to Section 33673 of the Law with respect to the lease of property for redevelopment shall be treated as Pledged Tax Revenues for all purposes of this Indenture.

Section 5.09 Disposition of Property. The Successor Agency will not participate in the disposition of any land or real property in a Project Area to anyone which will result in such property becoming exempt from taxation because of public ownership or use or otherwise (except property dedicated for public right-of-way and except property planned for public ownership or use by a Redevelopment Plan in effect on the date of issuance of the 2015 Bonds) so that such disposition shall, when taken together with other such dispositions, aggregate more than ten percent (10%) of the land area in the applicable Project Area unless such disposition is permitted as hereinafter provided in this Section 5.09. If the Successor Agency proposes to participate in such a disposition, it shall thereupon appoint an Independent Redevelopment Consultant to report on the effect of said proposed disposition. If the Report of the Independent Redevelopment Consultant concludes that the security of the Bonds, or the rights of the Successor Agency, the Bondowners and the Trustee hereunder will not be materially impaired by said proposed disposition, the Successor Agency may thereafter make such disposition. If said Report concludes that such security will be materially impaired by said proposed disposition, the Successor Agency shall disapprove said proposed disposition.

Section 5.10 Maintenance of Pledged Tax Revenues. The Successor Agency shall comply with all requirements of the Law and the Dissolution Act to ensure the allocation and payment to it of the Pledged Tax Revenues. The Successor Agency shall not undertake proceedings for amendment of any of the Redevelopment Plan if such amendment shall result in payments to one or more taxing entities pursuant to Sections 33607.5 and 33607.7 of the Law unless the Successor Agency shall first obtain a written opinion of an Independent Redevelopment Consultant that such payments will not adversely impair the Successor Agency's ability to pay debt service on the Bonds.

Section 5.11 Tax Covenants. In connection with the 2015 Bonds, the Successor Agency covenants and agrees to contest by court action or otherwise any assertion by the United States of America or any departments or agency thereof that the interest received by the Bondowners is includable in gross income of the recipient under federal income tax laws on the date of issuance of the Bonds. Notwithstanding any other provision of this Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of interest with respect to the 2015 Bonds and any Parity Bonds will not be adversely affected for federal income tax purposes, the Successor Agency

covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The Successor Agency will take no action or refrain from taking any action or make any use of the proceeds of the 2015 Bonds or Parity Bonds or of any other monies or property which would cause the 2015 Bonds or Parity Bonds to be “private activity bonds” within the meaning of Section 141 of the Code;

(b) Arbitrage. The Successor Agency will make no use of the proceeds of the 2015 Bonds or Parity Bonds or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action which will cause the Bonds or Parity Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code;

(c) Federal Guaranty. The Successor Agency will make no use of the proceeds of the 2015 Bonds or Parity Bonds or take or omit to take any action that would cause the 2015 Bonds or Parity Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code;

(d) Information Reporting. The Successor Agency will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code;

(e) Hedge Bonds. The Successor Agency will make no use of the proceeds of the 2015 Bonds or any Parity Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause either any 2015 Bonds or any Parity Bonds to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the Successor Agency takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest on the 2015 Bonds or any Parity Bonds for federal income tax purposes; and

(f) Miscellaneous. The Successor Agency will take no action or refrain from taking any action inconsistent with its expectations stated in that certain Tax Certificate executed by the Successor Agency in connection with each issuance of 2015 Bonds and Parity Bonds and will comply with the covenants and requirements stated therein and incorporated by reference herein.

Section 5.12 Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, any Owner or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 5.13 Compliance with the Dissolution Act. The Successor Agency shall comply with all of the requirements of the Law and the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants hereunder.

Further, it will take all actions required under the Dissolution Act to include

(i) [scheduled debt service on the Existing Bonds and any amounts required to replenish any of the reserve accounts established with respect to Existing Bonds,]

(ii) scheduled debt service on the 2015 Bonds and any Parity Debt and any amount required under this Indenture or any Parity Debt Instrument to replenish the Reserve Account established hereunder or the reserve account established under any Parity Debt Instrument, and

(iii) amounts due to any Insurer under an insurance or surety bond agreement,

in Recognized Obligation Payment Schedules for each six-month period so as to enable the Auditor-Controller of the County of Stanislaus to distribute from the Redevelopment Property Tax Trust Fund to the Successor Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective Semiannual Period and to pay amounts owed to any Insurer, as well as the other amounts set forth above.

In order to accomplish the foregoing, the Successor Agency shall take all actions required under the Law to include in the Recognized Obligation Payment Schedule for each Semiannual Period (i) debt service on the Bonds, Existing Bonds, Parity Debt and any amounts required to replenish the Reserve Account to the Reserve Requirement on any reserve funds established thereunder to the applicable reserve requirement thereunder, and (ii) all amounts due and owing to any insurer, so as to enable the Stanislaus County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund on each January 2 and June 1, as applicable, amounts required to enable the Successor Agency to pay timely principal of, and interest on, the Bonds on a timely basis. In order to ensure that amounts are available for the Trustee to pay debt service on all Outstanding Bonds on a timely basis, prior to each January 2 and June 1 (each an "RPTTF Distribution Date") as required by the Dissolution Act), for so long as any Bonds are outstanding, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the Stanislaus County Auditor-Controller that shall include (i) one-half of all debt service due on all Outstanding Bonds for the Bond Year in which such January 2 and June 1 occur, as well as all amounts due and owing to any insurer, and (ii) any amount required to cure any deficiency in the Reserve Account pursuant to this Indenture (including any amounts required due to a draw on the Qualified Reserve Account Credit Instrument).

In addition, the Successor Agency covenants that it shall, on or before December 1 of each year, file a Notice of Insufficiency with the Stanislaus County Auditor-Controller if the amount of Pledged Tax Revenues available to the Successor Agency from the Redevelopment Property Tax Trust Fund for transfer to the Redevelopment Obligation Retirement Fund on the upcoming January 2 is insufficient to fully fund all required amounts payable from the Redevelopment Obligation Retirement Fund during the next succeeding Semiannual Period. The Successor Agency covenants that, on or before May 1 of each year, it shall file a Notice of Insufficiency with the Stanislaus County Auditor-Controller if the amount of Pledged Tax Revenues available to the Successor Agency from the Redevelopment Property Tax Trust Fund for transfer to the Redevelopment Obligation Retirement Fund on the upcoming July 1 is insufficient to fully fund all

required amounts payable from the Redevelopment Obligation Retirement Fund during the next succeeding Semiannual Period.

In the event the provisions set forth in the Dissolution Act as of the Closing Date of the Bonds that relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the Bonds.

Section 5.14 Further Assurances. The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.

ARTICLE VI

THE TRUSTEE

Section 6.01 Duties, Immunities and Liabilities of Trustee.

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

(b) The Successor Agency may remove the Trustee at any time, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time the Successor Agency has knowledge that the Trustee shall cease to be eligible in accordance with subsection (f) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal shall be accomplished by the giving of written notice of such removal by the Successor Agency to the Trustee, with a copy to any Insurer, whereupon the Successor Agency shall appoint a successor Trustee by an instrument in writing.

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

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction at the expense of the Successor Agency for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing, acknowledging and delivering to the Successor Agency and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Successor Agency or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Successor Agency shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Successor Agency shall cause either the predecessor Trustee or the successor Trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then has a current rating on the Bonds and to the Owners at their respective addresses shown on the Registration Books.

(e) If an Event of Default hereunder occurs with respect to any Bonds of which the Trustee has been given or is deemed to have notice, as provided in Section 6.03(d) hereof, then the Trustee shall immediately give written notice thereof, by first-class mail to any Insurer and the Owner of each such Bond, unless such Event of Default shall have been cured before the giving of such notice; provided, however, that unless such Event of Default consists of the failure by the Successor Agency to make any payment when due, the Trustee shall, within thirty (30) days of the Trustee's knowledge thereof, give such notice to any Insurer, and the Trustee, with the consent of any Insurer may elect not to give such notice if and so long as the Trustee in good faith determines that it is in the best interests of the Bondowners not to give such notice.

(f) The Successor Agency agrees that, so long as any Bonds or any Parity Debt are Outstanding, the Trustee shall be a financial institution having a trust office in the State, having (or in the case of a corporation or trust company included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least \$75,000,000, and subject to supervision or examination by federal or state authority. If such financial institution publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such financial institution shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (f), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

Section 6.02 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 shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (f) of Section 6.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 6.03 Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Successor Agency, and the Trustee shall not assume responsibility for the correctness of the same, nor make any representations as to the validity or sufficiency of this Indenture or of the security for the Bonds or the tax status of interest thereon nor shall incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or misconduct. The Trustee shall not be liable for the acts of any agents of the Trustee selected by it with due care. The Trustee and its officers and employees may become the Owner of any Bonds with the same rights it would have if they were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

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

(c) The Trustee shall not be liable for any action taken by it and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or misconduct of the Trustee. Where the Trustee is given the permissive right to do things enumerated in this Indenture, such right shall not be construed as a mandatory duty.

(d) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a responsible officer shall have actual knowledge thereof, or shall have received written notice thereof from the Successor Agency at its Principal Corporate Trust Office. In the absence of such actual knowledge or notice, the Trustee may conclusively assume that no Event of Default has occurred and is continuing under this Indenture. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by any other party of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee may rely conclusively on the Successor Agency's certificates to establish the Successor Agency's compliance with its financial covenants hereunder, including, without limitation, its covenants

regarding the deposit of Pledged Tax Revenues into the Special Fund and the investment and application of moneys on deposit in the Special Fund (other than its covenants to transfer such moneys to the Trustee when due hereunder).

(e) The Trustee shall have no liability or obligation to the Bondowners with respect to the payment of debt service on the Bonds by the Successor Agency or with respect to the observance or performance by the Successor Agency of the other conditions, covenants and terms contained in this Indenture, or with respect to the investment of any moneys in any fund or account established, held or maintained by the Successor Agency pursuant to this Indenture or otherwise.

(f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers. The Trustee shall be entitled to interest on all amounts advanced by it at the maximum rate permitted by law.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys or receivers and the Trustee shall not be responsible for any intentional misconduct or negligence on the part of any agent, attorney or receiver appointed with due care by it hereunder.

(h) The Trustee shall have no responsibility, opinion, or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

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

(j) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Successor Agency elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Successor Agency agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(k) The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force majeure shall include but not be

limited to acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

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

Section 6.04 Right to Rely on Documents and Opinions. The Trustee shall have no liability in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, facsimile transmission, electronic mail, or other paper or document reasonably believed by it to be genuine and to have been signed or prescribed by the proper party or parties, and shall not be required to make any investigation into the facts or matters contained thereon. The Trustee may consult with counsel, including, without limitation, counsel of or to the Successor Agency, with regard to legal questions, and, in the absence of negligence or intentional misconduct by the Trustee, the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

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

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

Section 6.05 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times upon reasonable notice to the inspection of and copying by the Successor Agency and any Insurer and any Owner, and their agents and representatives duly authorized in writing, during regular business hours and under reasonable conditions.

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

The Successor Agency further covenants and agrees to indemnify, defend and save the Trustee and its officers, directors, agents and employees, harmless against any loss, expense and liabilities including legal fees and expenses which it may incur to the extent arising out of or in connection with the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability, but excluding any and all losses, expenses and liabilities which are due to the negligence or misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the Successor Agency and the rights of the Trustee under this Section 6.06 shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

Section 6.07 Deposit and Investment of Moneys in Funds. Moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Reserve Account, the Redemption Account and the Costs of Issuance Fund shall be invested by the Trustee in Permitted Investments as directed by the Successor Agency in the Written Request of the Successor Agency filed with the Trustee, except that moneys in the Reserve Account shall not be invested in Permitted Investments having a maturity of more than five (5) years, unless any such Permitted Investment is described in clause (g) of the definition thereof. In the absence of any such Written Request of the Successor Agency, the Trustee shall invest any such moneys in Permitted Investments described in clause (d) of the definition thereof, which by their terms mature prior to the date on which such moneys are required to be paid out hereunder; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a Written Request of the Successor Agency specifying a specific money market fund and, if no such Written Request of the Successor Agency is so received, the Trustee shall hold such moneys uninvested. The Trustee shall be entitled to rely conclusively upon the written instructions of the Successor Agency directing investments in Permitted Investments as to the fact that each such investment is permitted by the laws of the State, and shall not be required to make further investigation with respect thereto. With respect to any restrictions set forth in the above list which embody legal conclusions (e.g., the existence, validity and perfection of security interests in collateral), the Trustee shall be entitled to rely conclusively on an opinion of counsel or upon a representation of the provider of such Permitted Investment obtained at the Successor Agency's expense. Moneys in the Special Fund may be invested by the Successor Agency in any obligations in which the Successor Agency is legally authorized to invest its funds. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder shall be deposited in the Interest Account; *provided, however*, that all interest or gain from the investment of amounts in the Reserve Account shall be deposited by the Trustee in the Interest Account only to the extent not required to cause the balance in the Reserve Account to equal the Reserve Requirement. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made at the direction of the Successor Agency or otherwise made in accordance with this Section. For investment purposes only, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately.

The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Successor Agency further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations

may be obtained from the applicable broker. The Trustee will furnish the Successor Agency monthly cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder. Upon the Successor Agency's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request.

All moneys held by the Trustee shall be held in trust, but need not be segregated from other funds unless specifically required by this Indenture. Except as specifically provided in this Indenture, the Trustee shall not be liable to pay interest on any moneys received by it, but shall be liable only to account to the Successor Agency for earnings derived from funds that have been invested.

The Successor Agency covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value.

Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued by the Successor Agency at their present value (within the meaning of Section 148 of the Code). Investments on deposit in the Reserve Account shall be valued on June 30 of each year at their market value.

Section 6.08 Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which accurate entries shall be made of all transactions relating to the proceeds of the Bonds made by it and all funds and accounts held by the Trustee established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Successor Agency upon reasonable prior notice, at reasonable hours and under reasonable circumstances. The Trustee shall furnish to the Successor Agency, on at least a monthly basis, an accounting of all transactions in the form of its customary statements relating to the proceeds of the Bonds and all funds and accounts held by the Trustee pursuant to this Indenture.

Section 6.09 Other Transactions with Agency. The Trustee, either as principal or agent, may engage in or be interested in any financial or other transaction with the Successor Agency.

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 7.01 Amendment With And Without Consent of Owners. This Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption without the consent of any Owners, to the extent permitted by law, but only for any one or more of the following purposes –

(a) to add to the covenants and agreements of the Successor Agency in this Indenture contained, other covenants and agreements thereafter to be observed, including any covenant or agreement that provides for additional security for the Bonds, or to limit or surrender any rights or powers herein reserved to or conferred upon the Successor Agency; or

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in any other respect whatsoever as the Successor Agency may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not, in the reasonable determination of the Successor Agency, materially adversely affect the interests of the Owners; or

(c) to provide for the issuance of Parity Debt in accordance with Section 3.05; or

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

(e) to comply with the requirements of a provider of a Qualified Reserve Account Credit Instrument.

Except as set forth in the preceding paragraph, this Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding when the written consent of any Insurer (but only with respect to any Bonds insured by such Insurer) and the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest, or redemption premiums (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of any Insurer or the Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall any Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In no event shall any Supplemental Indenture modify any of the rights or obligations of any Insurer without its prior written consent.

Section 7.02 Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 7.03 Endorsement or Replacement of Bonds After Amendment. After the effective date of any amendment or modification hereof pursuant to this Article VII, the Successor Agency may, with the prior written consent of any Insurer, determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the Successor Agency, as to such amendment or modification and in that case upon demand of the Successor Agency the Owners of such Bonds shall present such Bonds for that purpose at the Principal Corporate Trust Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the Successor Agency may determine that new Bonds shall be prepared at the expense of the Successor Agency and executed in exchange for any or all of the Bonds, and in that case, upon demand of the Successor Agency, the Owners of the Bonds shall present such Bonds for exchange at the Principal Corporate Trust Office of the Trustee, without cost to such Owners.

Section 7.04 Amendment by Mutual Consent. The provisions of this Article VII shall not prevent any Owner from accepting any amendment as to the particular Bond held by such Owner, provided that due notation thereof is made on such Bond and, provided further that written consent to such amendment shall first be obtained from any Insurer.

Section 7.05 Opinion of Counsel. Prior to executing any Supplemental Indenture, the Trustee shall be furnished an opinion of counsel, upon which it may conclusively rely to the effect that all conditions precedent to the execution of such Supplemental Indenture under this Indenture have been satisfied and such Supplemental Indenture is authorized and permitted under this Indenture and does not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes or adversely affect the exemption of interest on the Bonds from personal income taxation by the State.

Section 7.06 Copy of Supplemental Indenture to S&P and Moody's. The Successor Agency shall provide to S&P and Moody's, for so long as S&P and Moody's, as the case may be, maintain a rating on any of the Bonds (without regard to any municipal bond or financial guaranty insurance), a copy of any Supplemental Indenture at least fifteen (15) days prior to its proposed effective date.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 8.01 Events of Default and Acceleration of Maturities. The following events shall constitute Events of Default hereunder:

(a) if default shall be made by the Successor Agency in the due and punctual payment of the principal of or interest or redemption premium (if any) on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) if default shall be made by the Successor Agency in the observance of any of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, other than a default described in the preceding clause (a), and such default shall have continued for a period of thirty (30) days following receipt by the Successor Agency of written notice from the Trustee or any Insurer or written notice from any Owner (with a copy of said notice delivered to the Trustee and any Insurer) of the occurrence of such default, provided that if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within such thirty (30) day period, such failure will not constitute an event of default if corrective action is instituted by the Successor Agency (with the prior written consent of any Insurer) within such thirty (30) day period and the Successor Agency thereafter diligently and in good faith cures such failure in a reasonable period of time as approved by any Insurer; or

(c) If the Successor Agency files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction will approve a petition by the Successor Agency seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will approve a petition by the Successor Agency, seeking

reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will assume custody or control of the Successor Agency or of the whole or any substantial part of its property.

In determining whether an Event of Default has occurred under (a) above, no effect shall be given to payments made under any municipal bond insurance policy, financial guaranty insurance policy or Qualified Reserve Account Credit Instrument.

If an Event of Default has occurred under this Section and is continuing, the Trustee, may, and, if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding the Trustee shall, (a) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding, and (b) subject to the provisions of Section 8.06, exercise any other remedies available to the Trustee and the Bondowners in law or at equity.

Immediately upon receiving notice or actual knowledge of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to any Insurer and to the Successor Agency confirmed in writing. Such notice shall also state whether the principal of the Bonds shall have been declared to be or have immediately become due and payable. With respect to any Event of Default described in subsections (a) or (c) above the Trustee shall, and with respect to any Event of Default described in subsection (b) above the Trustee in its sole discretion may, also give such notice to the Owners by mail, which shall include the statement that interest on the Bonds shall cease to accrue from and after the date, if any, on which the Trustee shall have declared the Bonds to become due and payable pursuant to the preceding paragraph (but only to the extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

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

Section 8.02 Application of Funds Upon Acceleration. All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture (including the Trustee's share of any Pledged Tax Revenues) and all sums in the funds and accounts established and held by the Trustee hereunder upon the date of the declaration of acceleration as provided in Section 8.01, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee in the following order upon presentation of the Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

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

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

Section 8.03 Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Section 8.04 Limitation on Owner's Right to Sue. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Successor Agency, the Trustee and any Insurer written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner

whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of (and premium, if any) and interest on such Bond as herein provided, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

Section 8.05 Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, shall affect or impair the obligation of the Successor Agency, which is absolute and unconditional, to pay from the Pledged Tax Revenues and other amounts pledged hereunder, the principal of and interest and redemption premium (if any) on the Bonds to the respective Owners on the respective Interest Payment Dates, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owners or the Trustee to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

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

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

Section 8.06 Actions by Trustee as Attorney-in-Fact. Any suit, action or proceeding which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds or Parity Debt shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, provided, however, the Trustee shall have no duty or obligation to exercise any such right or remedy unless it has been indemnified to its satisfaction from any loss, liability or expense (including fees and expenses of its outside counsel and the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel).

Section 8.07 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

Section 8.08 Determination of Percentage of Bondowners. Whenever in this Indenture the consent, direction or other action is required or permitted to be given or taken by a percentage of the Owners of an aggregate principal amount of Outstanding Bonds (including by the Owners of a majority in aggregate principal amount of the Outstanding Bonds), such percentage shall be calculated on the basis of the principal amount of the Outstanding Bonds determined as of the next succeeding Interest Payment Date.

ARTICLE IX

MISCELLANEOUS

Section 9.01 Benefits Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, any Insurer, the Trustee and the Owners, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee, any Insurer and the Owners. To the extent that this Indenture confers upon or gives any Insurer any right, remedy or claim under or by reason of this Indenture, such Insurer is hereby explicitly recognized as being third-party beneficiaries hereunder and may enforce any such right remedy or claim conferred, given or granted hereunder.

Section 9.02 Successor is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture either the Successor Agency or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Successor Agency or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.03 Discharge of Indenture.

(a) If the Successor Agency shall pay and discharge the entire indebtedness on all Bonds or any portion thereof in any one or more of the following ways:

(i) by well and truly paying or causing to be paid the principal of and interest and premium (if any) on all or the applicable portion of Outstanding Bonds, as and when the same become due and payable;

(ii) by irrevocably depositing with the Trustee or an escrow agent, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, is fully sufficient to pay all or the applicable portion of Outstanding Bonds, including all principal, interest and redemption premiums, or;

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

and, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given pursuant to Section 2.03(c) or provision satisfactory to the Trustee shall have been made for the giving of such notice, then, at the election of the Successor Agency, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Pledged Tax Revenues and other funds provided for in this Indenture and all other obligations of the Trustee and the Successor Agency under this Indenture shall cease and terminate with respect to all Outstanding Bonds or, if applicable, with respect to that portion of the Bonds which has been paid and discharged, except only (A) the covenants of the Successor Agency hereunder with respect to the Code, (B) the obligation of the Trustee to transfer and exchange Bonds hereunder, (C) the obligations of the Successor Agency under Section 6.06 hereof, and (D) the obligation of the Successor Agency to pay or cause to be paid to the Owners (or any Insurer), from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee and any Insurer all fees, expenses and costs of the Trustee and any Insurer. In the event the Successor Agency shall, pursuant to the foregoing provision, pay and discharge any portion or all of the Bonds then Outstanding, the Trustee shall be authorized to take such actions and execute and deliver to the Successor Agency all such instruments as may be necessary or desirable to evidence such discharge, including, without limitation, selection by lot of Bonds of any maturity of the Bonds that the Successor Agency has determined to pay and discharge in part.

In the case of a defeasance or payment of all of the Bonds Outstanding, any funds thereafter held by the Trustee which are not required for said purpose or for payment of amounts due the Trustee pursuant to Section 6.06 shall be paid over to the Successor Agency.

(b) Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due of the Bonds is paid by any Insurer pursuant to its municipal bond or financial guaranty insurance policy, such Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Successor Agency, and the assignment and pledge of the Pledged Tax Revenues and other assets hereunder and all covenants, agreements and other obligations of the Successor Agency to the Bondowners so paid shall continue to exist and shall run to the benefit of such Insurer, and such Insurer shall be subrogated to the rights of such Bondowners, as applicable.

Section 9.04 Execution of Documents and Proof of Ownership by Owners. Any request, consent, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by such Owner's attorneys appointed in writing.

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

The ownership of Bonds and the amount, maturity, number and date of ownership thereof shall be proved by the Registration Books.

Any demand, request, direction, consent, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Successor Agency or the Trustee and in accordance therewith, provided, however, that the Trustee shall not be deemed to have knowledge that any Bond is owned by or for the account of the Successor Agency unless the Successor Agency is the registered Owner or the Trustee has received written notice that any other registered Owner is such an affiliate.

Section 9.05 Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Successor Agency or the County (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Upon request of the Trustee, the Successor Agency and the County shall specify in a Written Certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such Certificate.

Section 9.06 Waiver of Personal Liability. No member, officer, agent or employee of the Successor Agency shall be individually or personally liable for the payment of the principal or interest or any premium on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.07 Destruction of Cancelled Bonds. Whenever in this Indenture provision is made for the surrender to the Trustee of any Bonds which have been paid or cancelled pursuant to the provisions of this Indenture, the Trustee shall destroy such bonds and provide the Successor Agency a certificate of destruction. The Successor Agency shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to.

Section 9.08 Notices. Any notice, request, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or upon receipt when mailed by first class, registered or certified mail, postage prepaid, or sent by facsimile, addressed as follows:

- | | |
|-----------------------------|--|
| If to the Successor Agency: | Successor Agency to the Stanislaus County
Redevelopment Agency
1010 Tenth Street, Suite 6800
Modesto, California 95354
Attention: Executive Director |
| If to the Trustee: | The Bank of New York Mellon Trust Company, N.A.
120 S. San Pedro, 4th Floor
Los Angeles, California 90012
Attention: Corporate Trust Services
Fax No.: (213) 972-5694
melonee.young@unionbank.com |
| If to the 2015 Insurer: | [to come] |

The Successor Agency and the Trustee may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 9.09 Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Indenture shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The Successor Agency hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the Trustee is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Trustee hereunder shall, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof, be assumed by and vest in the Treasurer of the Successor Agency in trust for the benefit of the Owners. The Successor Agency covenants for the direct benefit of the Owners that its Treasurer in such case shall be vested with all of the rights and powers of the Trustee hereunder, and shall assume all of the responsibilities and perform all of the duties of the Trustee hereunder, in trust for the benefit of the Bonds, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof.

Section 9.10 Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the Successor Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondowners shall look only to the Successor Agency for the payment of the principal of and interest and redemption premium (if any) on of such Bonds.

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

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

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

**SUCCESSOR AGENCY TO THE STANISLAUS
COUNTY REDEVELOPMENT AGENCY**

By: _____
Executive Director

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

By: _____
Authorized Officer

EXHIBIT A
(FORM OF 2015 BOND)

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

SUCCESSOR AGENCY TO THE STANISLAUS COUNTY REDEVELOPMENT AGENCY
[SUBORDINATED] TAX ALLOCATION REFUNDING BONDS, SERIES 2015

INTEREST RATE: _____ **MATURITY DATE:** _____ **DATED DATE:** _____ **CUSIP:** _____
August 1, _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ **DOLLARS**

The SUCCESSOR AGENCY TO THE STANISLAUS COUNTY REDEVELOPMENT AGENCY, a public entity duly existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth (15th) day of the month immediately preceding an Interest Payment Date (the "Record Date"), in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before [January 15, 2016], in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on February 1 and August 1 in each year, commencing [February 1, 2016] (each an "Interest Payment Date"), calculated on the basis of 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon surrender of this Bond at the corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California, as trustee (the "Trustee"), or at such other place designated by the Trustee (the "Principal Corporate Trust Office"). Interest hereon (including the final interest payment upon maturity or earlier redemption) is payable by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books maintained by the Trustee as of the Record Date for such Interest Payment Date; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of Bonds in the aggregate principal amount of \$1,000,000 or more upon written instructions of any such registered owner filed with the Trustee for that purpose prior to the Record Date preceding the applicable Interest Payment Date.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as “Successor Agency to the Stanislaus County Redevelopment Agency [Subordinated] Tax Allocation Refunding Bonds, Series 2015” (the “Bonds”), of an aggregate principal amount of \$ _____, all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, or redemption and other provisions) and all issued pursuant to the provisions of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the “Refunding Law”), the Dissolution Act (as such term is defined in the Indenture), and the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code (the “Law”), and pursuant to an Indenture of Trust, dated as of November 1, 2015, entered into by and between the Successor Agency and the Trustee (the “Indenture”), providing for the issuance of the Bonds. The Bonds are being issued in the form of registered Bonds without coupons. Additional bonds, or other obligations may be issued on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees. Capitalized terms not otherwise defined herein shall have the meanings given them in the Indenture.

The Bonds have been issued by the Successor Agency for the purpose of providing funds to refinance certain bonds with respect to the Project Area (as such term is defined in the Indenture) and to pay certain expenses of the Successor Agency in issuing the Bonds.

The Bonds are special obligations of the Successor Agency and this Bond and the interest hereon and on all other Bonds and the interest thereon (to the extent set forth in the Indenture), are payable from, and are secured by a pledge of, security interest in and lien on the Pledged Tax Revenues derived by the Successor Agency from the Project Area.

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

The Bonds are subject to optional redemption and mandatory redemption from mandatory sinking fund payments as provided in the Indenture.

As provided in the Indenture, notice of redemption shall be given by first class mail no less than thirty (30) nor more than sixty (60) days prior to the redemption date to the respective registered owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books maintained by the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

The Successor Agency shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

The Bonds are issuable as fully registered Bonds without coupons in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same maturity.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Principal Corporate Trust Office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new fully registered Bond or Bonds, of any authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. The Trustee may refuse to transfer or exchange (a) any Bond during the fifteen (15) days prior to the date established for the selection of Bonds for redemption, or (b) any Bond selected for redemption.

The Successor Agency and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

The rights and obligations of the Successor Agency and the registered owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the

currency provided herein of any Bond without the express written consent of the registered owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Successor Agency or the Trustee for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

This Bond is not a debt, liability or obligation of the County of Stanislaus, the State of California, or any of its political subdivisions, and neither said County , said State, nor any of its political subdivisions is liable hereon, nor in any event shall this Bond be payable out of any funds or properties other than those pledged by the Successor Agency. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

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

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

IN WITNESS WHEREOF, the Successor Agency to the Stanislaus County Redevelopment Agency has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Executive Director and attested by the facsimile signature of its Clerk, all as of the Dated Date set forth above.

**SUCCESSOR AGENCY TO THE STANISLAUS
COUNTY REDEVELOPMENT AGENCY**

By: _____
Executive Director

ATTEST:

Clerk

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

Authentication Date: _____

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

By: _____
Authorized Signatory

ABBREVIATIONS

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

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

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

(FORM OF ASSIGNMENT)

For value received the undersigned hereby sells, assigns and transfers unto

(Name, Address and Tax Identification or Social Security Number of Assignee)
the within-registered Bond and hereby irrevocably constitute(s) and appoints(s) _____ attorney,

to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signatures Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor.

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

2005 BONDS ESCROW AGREEMENT

[revise to conform for 2003 Bond Defeasance as applicable]

THIS 2005 BONDS ESCROW AGREEMENT, dated as of November 1, 2015 (the "Agreement"), by and between the Successor Agency to the Stanislaus County Redevelopment Agency (the "Successor Agency") and The Bank of New York Mellon Trust Company, N.A., acting in its capacity as escrow bank (the "Escrow Bank"), and the 2005 Trustee (as defined below) is entered into in accordance with an Indenture of Trust, dated as of December 1, 2005 (the "2005 Indenture"), by and between the Stanislaus County Redevelopment Agency (the "Former Agency") and The Bank of New York Mellon Trust Company, N.A., formerly known as The Bank of New York Trust Company, N.A. (the "2005 Trustee"), to refund all of the outstanding 2005 Bonds (as defined below).

WITNESSETH:

WHEREAS, the Former Agency has previously issued its \$15,615,000 initial aggregate principal amount Stanislaus County Redevelopment Agency (Keyes Storm Drain Project) 2005 Tax Allocation Bonds (the "2005 Bonds"); and

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

WHEREAS, the California Supreme Court subsequently upheld the provisions of the Dissolution Act and invalidated the Opt-in Bill resulting in the Stanislaus County Redevelopment Agency (the "Former Agency") being dissolved as of February 1, 2012; and

WHEREAS, the powers, assets and obligations of the Former Agency were transferred on February 1, 2012 to the Successor Agency; and

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

WHEREAS, AB1484 specifically authorizes the issuance of refunding bonds by the Successor Agency to refund outstanding bonds for the purpose of reducing debt service; and

WHEREAS, the Successor Agency pursuant to a resolution adopted by the Successor Agency on _____, 2015, determined that it is in the Successor Agency's best interest to issue the _____ Dollars (\$_____) Successor Agency to the Stanislaus County Redevelopment Agency [Subordinated] Tax Allocation Refunding Bonds, Series 2015 (the "2015 Bonds") pursuant to an Indenture of Trust, dated as of November 1, 2015, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and together with certain other money deposited by the Successor Agency, proceeds of the 2015 Bonds will be used to provide the funds to pay all regularly scheduled payments of principal and interest, as they accrue, through and including [Redemption Date] and to pay all principal and accrued interest on the 2005 Bonds maturing on or after August 1, 2016 on [Redemption Date] (the "Redemption Price"); and

WHEREAS, by irrevocably depositing with the Escrow Bank moneys (as permitted by, in the manner prescribed by, and all in accordance with the 2005 Indenture), which moneys will be used to purchase securities satisfying the criteria set forth in Section 9.03 of the 2005 Indenture as described on Schedule A hereto (the "Federal Securities"), provided the principal of and the interest on the Federal Securities when paid will provide money, which moneys, together with the moneys deposited with the Escrow Bank at the same time pursuant to this Agreement, will be fully sufficient to pay and discharge the 2005 Bonds;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Successor Agency and the Escrow Bank agree as follows:

SECTION 1. Deposit of Moneys. The Successor Agency hereby instructs the 2005 Trustee to transfer \$_____ from the [Reserve Account] maintained pursuant to the 2005 Indenture. The Successor Agency hereby instructs the Escrow Bank to deposit (i) \$_____ received from the Trustee from a portion of the net proceeds of the sale of the 2015 Bonds and (ii) \$_____ transferred by the 2005 Trustee from funds and accounts held with respect to the 2005 Bonds, into the Escrow Fund established hereunder. The Escrow Bank shall hold all such amounts in irrevocable escrow separate and apart from other funds of the Successor Agency and the Escrow Bank in a fund hereby created and established to be known as the "Escrow Fund" and to be applied solely as provided in this Agreement. The Successor Agency hereby instructs the Escrow Bank to apply \$_____ of the moneys set forth above to purchase the Federal Securities listed in Schedule A hereto and to hold \$_____ uninvested as cash.

SECTION 2. Investment of Moneys. The Escrow Bank acknowledges receipt of the moneys described in Section 1 and agrees immediately to invest such moneys in the Federal Securities listed on Schedule A hereto and to deposit such Federal Securities in the Escrow Fund. The Escrow Bank shall be entitled to rely upon the conclusion of _____, _____, _____ (the "Verification Agent"), that the Federal Securities listed on Schedule A hereto mature and bear interest payable in such amounts and at such times as, together with cash on deposit in the Escrow Fund, will be sufficient to pay when due with respect to the 2005 Bonds, all Redemption Price, as shown on Schedule B attached hereto.

SECTION 3. Investment of Any Remaining Moneys. At the written direction of the Successor Agency, the Escrow Bank shall reinvest any other amount of principal and interest, or any portion thereof, received from the Federal Securities prior to the date on which such payment is required for the purposes set forth herein, in noncallable Federal Securities maturing not later than the date on which such payment or portion thereof is required for the purposes set forth in Section 5, at the written direction of the Successor Agency, as verified in a report prepared by an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions to the effect that the reinvestment described in said report will not adversely affect the sufficiency of the amounts of securities, investments and money in the Escrow Fund to pay when due all Redemption Price with respect to the 2005 Bonds.

SECTION 4. Substitution of Securities. Upon the written request of the Successor Agency, and subject to the conditions and limitations herein set forth and applicable governmental rules and regulations, the Escrow Bank shall sell, redeem or otherwise dispose of the Federal Securities, provided that there are substituted therefor from the proceeds of the Federal Securities other Federal Securities, but only after the Successor Agency has obtained and delivered to the Escrow Bank a

report by a firm of independent certified public accountants to the effect that the reinvestment described in said report will not adversely affect the sufficiency of the amounts of securities, investments and money in the Escrow Fund to pay when due, all Redemption Price with respect to the 2005 Bonds. The Escrow Bank shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Agreement and in full compliance with the provisions hereof.

SECTION 5. Payment of 2005 Bonds.

(a) Payment. From the maturing principal of the Federal Securities and the investment income and other earnings thereon and other moneys on deposit in the Escrow Fund, the Escrow Bank shall apply the amounts on deposit in the Escrow Fund to pay when due, all Redemption Price with respect to the 2005 Bonds.

(b) Irrevocable Instructions to Provide Notice. The forms of the notice required to be mailed pursuant to Sections 2.03 and 9.03 of the 2005 Indenture are substantially in the forms attached hereto as Exhibits A and B. The Agency hereby irrevocably instructs the Escrow Bank to mail a notice of prepayment and a notice of defeasance of the 2005 Bonds in accordance with Sections 2.03 and 9.03, respectively, of the 2005 Indenture, as required to provide for the prepayment of the 2005 Bonds in accordance with this Section 5.

(c) Unclaimed Moneys. Any moneys which remain unclaimed for two years after [Redemption Date] shall be repaid by the Escrow Bank to the Successor Agency.

(d) Priority of Payments. The owners of the 2005 Bonds shall have a first and exclusive lien on all moneys and securities in the Escrow Fund until such moneys and such securities are used and applied as provided in this Agreement.

(e) Termination of Obligation. As provided in the 2005 Indenture, upon deposit of moneys with the Escrow Bank in the Escrow Fund as set forth in Section 1 hereof and the purchase of the various Federal Securities as provided in Section 2 hereof, the owners of the 2005 Bonds shall cease to be entitled to the pledge of and lien on the Revenues as provided in the 2005 Indenture, and all agreements and covenants of the Former Agency and the Trustee under the 2005 Indenture shall cease, terminate and become void and shall be discharged and satisfied, except as set forth in the 2005 Indenture.

SECTION 6. Application of Certain Terms of the 2005 Indenture. All of the terms of the 2005 Indenture relating to the making of payments of principal and interest with respect to the 2005 Bonds and relating to the exchange or transfer of the 2005 Bonds are incorporated in this Agreement as if set forth in full herein. The procedures set forth in Article 6 of the 2005 Indenture relating to the removal, resignation and merger of the 2005 Trustee under the 2005 Indenture are also incorporated in this Agreement as if set forth in full herein and shall be the procedures to be followed with respect to any removal, resignation or merger of the Escrow Bank hereunder.

SECTION 7. Performance of Duties. The Escrow Bank agrees to perform only the duties set forth herein and shall have no responsibility to take any action or omit to take any action not set forth herein.

SECTION 8. Escrow Bank's Authority to Make Investments. Except as provided in Sections 2, 3, 4, and 5 hereof, the Escrow Bank shall have no power or duty to invest any funds held

under this Agreement or to sell, transfer or otherwise dispose of the moneys or Federal Securities held hereunder.

SECTION 9. Indemnity. The Successor Agency hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Bank and its respective successors, assigns, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Bank at any time (whether or not also indemnified against the same by the Successor Agency or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds and securities deposited therein, the retention of the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Agreement; provided, however, that the Successor Agency shall not be required to indemnify the Escrow Bank against the Escrow Bank's own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Bank's respective employees or the willful breach by the Escrow Bank of the terms of this Agreement. In no event shall the Successor Agency or the Escrow Bank be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement and the resignation or removal of the Escrow Bank.

SECTION 10. Responsibilities of Escrow Bank. The Escrow Bank and its agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys or securities deposited therein, the retention of the Federal Securities or the proceeds thereof, the sufficiency of the Federal Securities to pay the 2005 Bonds or any payment, transfer or other application of moneys or obligations by the Escrow Bank in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the Successor Agency, and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representation as to the sufficiency of the proceeds to accomplish the refunding of the 2005 Bonds or to the validity of this Agreement as to the Agency and, except as otherwise provided herein, the Escrow Bank shall incur no liability in respect thereof. The Escrow Bank shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Agreement. The Escrow Bank may consult with counsel, who may or may not be counsel to the Successor Agency, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an officer of the Successor Agency.

No provision of this Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

If the Escrow Bank learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a subscription of Federal Securities that is to be submitted pursuant to this Agreement, the Escrow Bank shall promptly request alternative written investment instructions from the Successor Agency with respect to escrowed funds which were to be invested in securities. The Escrow Bank shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Bank shall hold funds uninvested and without liability for interest until receipt of further written instructions from the Successor Agency. In the absence of investment instructions from the Successor Agency, the Escrow Bank shall not be responsible for the investment of such funds or interest thereon. The Escrow Bank may conclusively rely upon the Successor Agency's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

The Escrow Bank shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Agreement and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Bank, or another method or system specified by the Escrow Bank as available for use in connection with its services hereunder); provided, however, that the Successor Agency shall provide to the Escrow Bank an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Successor Agency whenever a person is to be added or deleted from the listing. If the Successor Agency elects to give the Escrow Bank Instructions using Electronic Means and the Escrow Bank in its discretion elects to act upon such Instructions, the Escrow Bank's understanding of such Instructions shall be deemed controlling. The Successor Agency understands and agrees that the Escrow Bank cannot determine the identity of the actual sender of such Instructions and that the Escrow Bank shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Bank have been sent by such Authorized Officer. The Successor Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Bank and that the Successor Agency and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Successor Agency. The Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Successor Agency agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Bank, including without limitation the risk of the Escrow Bank acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Bank and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Successor Agency; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Bank immediately upon learning of any compromise or unauthorized use of the security procedures.

The Escrow Bank shall furnish the Successor Agency periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Bank or brokers selected

by the Successor Agency. Upon the Successor Agency's election, such statements will be delivered via the Escrow Bank's online service and upon electing such service, paper statements will be provided only upon request. The Successor Agency waives the right to receive brokerage confirmations of security transactions effected by the Escrow Bank as they occur, to the extent permitted by law. The Successor Agency further understands that trade confirmations for securities transactions effected by the Escrow Bank will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

Any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Bank without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

SECTION 11. Amendments. This Agreement is made for the benefit of the Successor Agency and the owners from time to time of the 2005 Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, the Escrow Bank and the Successor Agency; provided, however, that the Successor Agency and the Escrow Bank may, without the consent of, or notice to, such owners, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such owners and as shall not be inconsistent with the terms and provisions of this Agreement or the 2005 Indenture, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Bank for the benefit of the owners of the 2005 Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such owners or the Escrow Bank; and (iii) to include under this Agreement additional funds. The Escrow Bank shall be entitled to rely conclusively upon an unqualified opinion of Stradling Yocca Carlson & Rauth, A Professional Corporation, with respect to compliance with this Section 11, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the various 2005 Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 11. In the event of any conflict with respect to the provisions of this Agreement, this Agreement shall prevail and be binding.

SECTION 12. [Notice to Standard & Poor's]. The Successor Agency agrees to provide Standard & Poor's, a Division of the McGraw-Hill Companies, 55 Water Street, 45th Floor, New York, New York 10041, prior notice of each amendment entered into pursuant to Section 11 hereof and a copy of such proposed amendment, and to forward a copy (as soon as possible) of (i) each amendment hereto entered into pursuant to Section 11 hereof, and (ii) any action relating to severability or contemplated by Section 15 hereof.]

SECTION 13. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either: (i) the date upon which the 2005 Bonds have been paid in accordance with this Agreement; or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Bank pursuant to Section 5(c) of this Agreement.

SECTION 14. Compensation. The Escrow Bank shall receive its reasonable fees and expenses as previously agreed to by the Escrow Bank and the Successor Agency and any other reasonable fees and expenses of the Escrow Bank approved by the Successor Agency; provided, however, that under no circumstances shall the Escrow Bank be entitled to any lien or assert any lien

whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered or expenses incurred by the Escrow Bank under this Agreement.

SECTION 15. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Successor Agency or the Escrow Bank to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 16. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original but all of which shall constitute and be but one and the same instrument.

SECTION 17. Governing Law. This Agreement shall be construed under the laws of the State of California.

SECTION 18. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Escrow Bank are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement, and no interest shall accrue for the period from and after such nominal date.

SECTION 19. Assignment. This Agreement shall not be assigned by the Escrow Bank or any successor thereto without the prior written consent of the Successor Agency.

SECTION 20. Reorganization of Escrow Bank. Notwithstanding anything to the contrary contained in this Agreement, any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Escrow Bank is a party, or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Bank without execution or filing of any paper or any paper or further act, if such company is eligible to serve as Escrow Bank.

SECTION 21. Insufficient Funds. If at any time the Escrow Bank has actual knowledge that the moneys and investments in the Escrow Fund, including the anticipated proceeds of and earnings thereon, will not be sufficient to make all payments required by this Agreement, the Escrow Bank shall notify the Successor Agency in writing, of the amount thereof and the reason therefor to the extent known to it. The Escrow Bank shall have no responsibility regarding any such deficiency.

SECTION 22. Notice to Escrow Bank, Successor Agency. Any notice to or demand upon the Escrow Bank may be served or presented, and such demand may be made, at the principal corporate trust office of the Escrow Bank at

_____. Any notice to or demand upon the Successor Agency shall be deemed to have been sufficiently

given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to the Successor Agency at _____, Attention: _____ (or such other address as may have been filed in writing by the Successor Agency with the Escrow Bank).

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and attested as of the date first above written.

SUCCESSOR AGENCY TO THE STANISLAUS
COUNTY REDEVELOPMENT AGENCY

By: _____
Chair

ATTEST:

Clerk

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,
as Escrow Bank and 2005 Trustee

By: _____
Authorized Officer

SCHEDULE A

Federal Securities

<i>Security</i>	<i>Maturity</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Price</i>
		\$	%	%

SCHEDULE B

Escrow Cash Flow

<i>Date</i>	<i>Total Cash Receipt from Federal Securities</i>	<i>Cash Disbursement from Escrow</i>	<i>Cash Balance</i>
Beginning Balance:	\$	\$	\$
Total	<u>\$</u>	<u>\$</u>	

EXHIBIT A

NOTICE OF PREPAYMENT

\$15,615,000 Stanislaus County Redevelopment Agency (Keyes Storm Drain Project) 2005 Tax Allocation Bonds

BASE CUSIP NO. _____

NOTICE IS HEREBY GIVEN to the owners of the above-captioned \$15,615,000 initial aggregate principal amount Stanislaus County Redevelopment Agency (Keyes Storm Drain Project) 2005 Tax Allocation Bonds (the "2005 Bonds") pursuant to the Indenture of Trust, dated as of December 1, 2005 (the "2005 Indenture"), by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., formerly known as The Bank of New York Trust Company, N.A., as trustee (the "2005 Trustee"), that the 2005 Bonds in the aggregate principal amount of \$_____ have been called for prepayment on [Redemption Date] (the "Prepayment Date").

2005 Bonds

<i>CUSIP</i>	<i>Bond Payment Date (August 1)</i>	<i>Rate</i>	<i>Amount</i>	<i>Price</i>
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The 2005 Bonds will be payable on the Prepayment Date at a prepayment price of 100% of the principal amount plus accrued interest to such date (the "Prepayment Price"). Subject to prior rescission as referenced below, the Prepayment Price of the 2005 Bonds will become due and payable on the Prepayment Date. Interest with respect to the 2005 Bonds to be prepaid will cease to accrue on and after the Prepayment Date, and such 2005 Bonds will be surrendered to the 2005 Trustee.

All Certificates are required to be surrendered to the principal corporate office of the 2008 Trustee, on the Prepayment Date at the following location. If the Certificates are mailed, the use of registered, insured mail is recommended:

<i>By Hand:</i>	<i>By Registered or Certified Mail:</i>	<i>By Air Courier:</i>
The Bank of New York Mellon Trust Company, N.A. Corporate Trust Services _____ _____	The Bank of New York Mellon Trust Company, N.A. Corporate Trust Services _____ _____	The Bank of New York Mellon Trust Company, N.A. Corporate Trust Services _____ _____

If the Owner of any 2005 Bond subject to optional prepayment fails to deliver such 2005 Bond to the 2005 Trustee on the Prepayment Date, such 2005 Bond shall nevertheless be deemed prepaid on the Prepayment Date and the Owner of such 2005 Bond shall have no rights in respect

thereof except to receive payment of the Prepayment Price from funds held by the 2005 Trustee for such payment.

A form W-9 must be submitted with the 2005 Bonds. Failure to provide a completed form W-9 will result in 31% backup withholding pursuant to the Interest and Dividend Tax Compliance Act of 1983. Under the Jobs and Growth Tax Relief Reconciliation Act of 2003, 28% will be withheld if the tax identification number is not properly certified.

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

DATED this ___ day of _____, 2016.

EXHIBIT B

NOTICE OF DEFEASANCE

\$15,615,000 Stanislaus County Redevelopment Agency (Keyes Storm Drain Project) 2005 Tax Allocation Bonds

BASE CUSIP NO. _____

NOTICE IS HEREBY GIVEN to the owners of the above-captioned \$15,615,000 initial aggregate principal amount Stanislaus County Redevelopment Agency (Keyes Storm Drain Project) 2005 Tax Allocation Bonds (the "2005 Bonds") of the Stanislaus County Redevelopment Agency (the "Former Agency"), that the Successor Agency to the Stanislaus County Redevelopment Agency has deposited with The Bank of New York Mellon Trust Company, N.A., formerly known as The Bank of New York Trust Company, N.A., as trustee (the "2005 Trustee") under the Trust Agreement, dated as of December 1, 2005 (the "2005 Indenture"), by and between the Former Agency and the 2005 Trustee, cash and Federal Securities (as defined in the 2005 Indenture) sufficient to pay with respect to the 2005 Bonds, all regularly scheduled payments of principal and interest through and including [Redemption Date] and to pay on August 1, 20-- the principal maturing on and after [Redemption Date], plus interest with respect thereto accrued to such date, without premium.

The 2005 Bonds to be defeased are as follows:

<i>CUSIP</i>	<i>Bond Payment Date (August 1)</i>	<i>Rate</i>	<i>Amount</i>	<i>Price</i>
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In accordance with the 2005 Indenture, the 2005 Bonds are deemed to have been paid in accordance with Section 9.03 thereof and the obligations of the Former Agency under the 2005 Indenture shall thereupon cease, terminate and become void and be discharged and satisfied.

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

DATED this ____ day of September, 2015.

§ _____
**SUCCESSOR AGENCY TO THE STANISLAUS COUNTY REDEVELOPMENT AGENCY
[SUBORDINATED] TAX ALLOCATION REFUNDING BONDS, SERIES 2015**

BOND PURCHASE CONTRACT

_____, 2015

Successor Agency to the Stanislaus County Redevelopment Agency
1010 Tenth Street, Suite 6800
Modesto, California 95354

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the "**Underwriter**"), offers to enter into this Bond Purchase Contract (this "**Purchase Contract**") with the Successor Agency to the Stanislaus County Redevelopment Agency (the "**Agency**"), which will be binding upon the Agency and the Underwriter upon the acceptance hereof by the Agency. This offer is made subject to its acceptance by the Agency by execution of this Purchase Contract and its delivery to the Underwriter on or before 5:00 p.m., California time, on the date hereof.

The Agency acknowledges and agrees that: (i) the purchase and sale of the Bonds (as hereinafter defined) pursuant to this Purchase Contract is an arm's-length commercial transaction between the Agency and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as Municipal Advisors (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 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 Agency on other matters); (iii) the only obligations the Underwriter has to the Agency with respect to the transaction contemplated hereby expressly are set forth in this Purchase Contract; (iv) the Agency has consulted its own legal, financial and other advisors to the extent it has deemed appropriate; (v) the Underwriter has financial interests that may differ from and be adverse to those of the Agency; and (vi) the Underwriter has provided the Agency with certain disclosures required under the rules of the Municipal Securities Rulemaking Board (the "**MSRB**").

The Agency hereby acknowledges receipt from the Underwriter of disclosures required by the MSRB Rule G-17 relating to disclosures concerning the Underwriter's role in the transaction, disclosures concerning the Underwriter's compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

Terms not otherwise defined herein shall have the same meanings as set forth in the Indenture, described below.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Agency hereby agrees to sell to the Underwriter, and the Underwriter hereby agrees to purchase from the Agency, all (but not less than all) of the \$_____ aggregate principal amount of the captioned bonds (the "**Bonds**"), at a purchase price equal to \$_____ (being the aggregate principal amount thereof [plus/less] an aggregate net original issue [premium/discount] of \$_____ and less an Underwriter's discount of \$_____).

[As an accommodation to the Agency, the Underwriter will pay, from the purchase price of the Bonds, the sum of \$[_____] to [_____] (the "**Municipal Bond Insurer**") as the premium for its municipal bond insurance policy (the "**Municipal Bond Insurance Policy**") issued for the Bonds maturing on August 1, 20[___] and on August 1 of each year thereafter up to and including August 20[___] (the "**Insured Bonds**"), and the sum of \$[_____] to the Municipal Bond Insurer as the premium for its reserve fund municipal bond insurance policy issued for the Bonds (the "**Reserve Fund Municipal Bond Insurance Policy**").]

The amount of \$[_____] (which is the purchase price of the Bonds net of the amounts set forth in the preceding paragraph regarding the premiums on the Municipal Bond Insurance Policy and the Reserve Fund Municipal Bond Insurance Policy) will be delivered to The Bank of New York Mellon Trust Company, N.A., as trustee (the "**Trustee**") for the Bonds, on behalf of the Agency.

2. Description of the Bonds. The Bonds shall be issued and sold to the Underwriter pursuant to:

(a) the "**Indenture**," which is defined as: (i) an Indenture of Trust, dated as of September 1, 2015 between the Agency and the Trustee,

(b) the Constitution and the laws of the State of California, including Article 11 (commencing with Section 53580 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "**Refunding Law**") and Parts 1, 1.8 and 1.85 of Division 24 of the Health and Safety Code of the State of California (as amended from time to time, collectively, the "**Redevelopment Law**"), and

(c) a resolution of the Agency adopted on _____, 2015 (the "**Agency Resolution**") and a resolution of the Oversight Board for the Successor Agency to the Stanislaus County Redevelopment Agency (the "**Oversight Board**") adopted on _____, 2015 (the "**Oversight Board Resolution**").

The Bonds shall be as described in the Indenture and the Official Statement, as defined herein, relating to the Bonds. Proceeds of the Bonds will be applied to pay the costs of issuing the Bonds, to fund a reserve fund for the Bonds/to purchase the Reserve Fund Municipal Bond Insurance for the Bonds, and to refund the outstanding [Stanislaus County Redevelopment Agency Stanislaus County Redevelopment Project No. 1 Tax Allocation Bonds, Series 2003 (the "**2003 Bonds**")] and the Stanislaus County Redevelopment Agency (Keyes Storm Drain Project) 2005 Tax Allocation Bonds ([the "**2005 Bonds**", and together with the 2003 Bonds,]the "**Refunded Bonds**") of the former Stanislaus County Redevelopment Agency (the "**Prior Agency**").

The Bonds are special, limited obligations of the Agency, payable from, and secured by a lien on Pledged Tax Revenues, as such term is defined in the Indenture.

Pursuant to the 2003 Bonds Escrow Agreement (the “**2003 Bonds Escrow Agreement**”), by and between the Agency and The Bank of New York Mellon Trust Company, N.A., as escrow bank (the “**Escrow Bank**”), provision will be made for the redemption of the 2003 Bonds on _____, 2015, at a price of 100% of the principal amount thereof, together with accrued interest to such date. Pursuant to the 2005 Bonds Escrow Agreement (the “**2005 Bonds Escrow Agreement**” and, together with the 2003 Bonds Escrow Agreements, the “**Escrow Agreements**”), by and between the Agency and the Escrow Bank, provision will be made for the redemption of the 2005 Bonds on _____, 2015, at a price of 100% of the principal amount thereof, together with accrued interest to such date.

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

4. Official Statement. The Agency shall deliver or cause to be delivered to the Underwriter promptly after acceptance of this Purchase Contract copies of the Official Statement relating to the Bonds, dated the date hereof (which, together with all exhibits and appendices included therein or attached thereto and with such amendments or supplements thereto which shall be approved by the Underwriter, the “**Official Statement**”). The Agency authorizes the Official Statement, including the cover page and Appendices thereto and the information contained therein, to be used in connection with the sale of the Bonds and ratifies, confirms and approves the use and distribution by the Underwriter for such purpose, prior to the date hereof, of the Preliminary Official Statement dated _____, 2015 (the “**Preliminary Official Statement**”). The Agency deems such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 under the Exchange Act, as amended (“**Rule 15c2-12**”), except for information allowed to be omitted by Rule 15c2-12. The Agency also agrees to deliver to the Underwriter, at the Agency’s sole cost and at such address as the Underwriter shall specify, as many copies of the Official Statement as the Underwriter shall reasonably request as necessary to comply with paragraph (b)(4) of Rule 15c2-12 with Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Council. The Agency agrees to deliver such copies of the Official Statement within seven (7) business days after the date hereof. Such Official Statement shall contain all information previously permitted to be omitted by Rule 15c2-12. The Underwriter agrees to give written notice to the Agency of the date after which the Underwriter shall no longer be obligated to deliver Official Statements pursuant to paragraph (b)(4) of Rule 15c2-12 which shall be no later than 25 days after the end of the Underwriting Period (as such term is defined in 4(q) below).

The Underwriter agrees to promptly file a copy of the final Official Statement, including any supplements prepared by the Agency, in compliance with MSRB Rule G-32, and to take any and all other actions necessary to comply with applicable Securities and Exchange Commission rules and Municipal Securities Rulemaking Council rules governing the offering, sale and delivery of the Bonds to the ultimate purchasers thereof.

The Agency hereby confirms that it does not object to distributions of the Official Statement in electronic form.

5. The Closing. At 8:00 a.m., California time, on _____, 2015 (the "**Closing Date**"), or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Agency and the Underwriter, the Agency will deliver: (i) the Bonds in book-entry form through the facilities of The Depository Trust Company, New York, New York, duly executed; and (ii) the closing documents hereinafter mentioned at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation ("**Bond Counsel**"), in Newport Beach, California, or another place to be mutually agreed upon by the Agency and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by federal wire transfer to the order of the Trustee on behalf of the Agency. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the "**Closing**."

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

(a) Due Organization, Existence and Authority. The Agency is a public entity validly existing under the laws of the State of California (the "**State**") with full right, power and authority to adopt the Agency Resolution, to issue the Bonds and to execute, deliver and perform its obligations under the Bonds, this Purchase Contract, the Indenture, the Escrow Agreements and the Continuing Disclosure Certificate, dated as of the Closing Date, executed by the Agency (the "**Continuing Disclosure Certificate**"; together with the Indenture, this Purchase Contract, the Escrow Agreement, the "**Agency Documents**") and to carry out and consummate the transactions contemplated by the Agency Documents and the Official Statement.

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

(c) Consent. Except as described in or contemplated by the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Agency of its obligations under the Agency Documents have been duly obtained.

(d) Official Statement, Accurate and Complete. The information contained in the Preliminary Official Statement (excluding therefrom for any information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy, the Reserve Fund Municipal Bond Insurance Policy, and DTC and its book-entry system included therein) is true and correct in all material respects, and the Preliminary Official Statement did not on the date thereof contain any untrue or misleading statement of a material fact relating to the Agency or the County or omit to

state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The information contained in the Official Statement (excluding therefrom for any information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy, the Reserve Fund Municipal Bond Insurance Policy, and DTC and its book-entry system included therein) is true and correct in all material respects, and the Official Statement did not on the date thereof contain any untrue or misleading statement of a material fact relating to the Agency or the County or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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

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

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

Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (v) there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this paragraph.

(h) No Other Obligations. Between the date of this Purchase Contract and the Closing Date, the Agency will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Underwriter.

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

If the information contained in the Official Statement is amended or supplemented pursuant to this subsection (i), at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Bonds, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact required to be stated therein or necessary to make such information therein in the light of the circumstances under which it was presented, not misleading.

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

(k) Prior Continuing Disclosure Undertakings. Except as disclosed in the Official Statement, neither the Agency nor the Prior Agency has defaulted on any material obligation under any prior continuing disclosure undertaking during the past five years.

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

(m) Department of Finance Approval. The Department of Finance of the State (the “**Department of Finance**”) has issued a letter approving the issuance of the Bonds. No further Department of Finance approval or consent is required for the issuance of the Bonds or the consummation of the transactions described in the Preliminary Official Statement.

(m) Lien on Pledged Tax Revenues; Lien on Tax Revenues. Following the issuance of the Bonds and the defeasance of the Refunded Bonds, there will be no other obligations payable from and secured by a pledge of Pledged Tax Revenues other than the Bonds.

(n) Audited Financial Statement. No consent is required from the Agency’s auditor for the audited financial statements of the Agency to be appended to the Preliminary Official Statement and the final Official Statement.

(o) Compliance with the Law. As of the time of acceptance hereof and as of the date of the Closing, the Agency has complied with the filing requirements of the Law, including, without limitation, the filing of all Recognized Obligation Payment Schedules, as required by the Law.

(p) Certifications. Any certificate signed by any official of the Agency and delivered to the Underwriter in connection with the offer or sale of the Bonds shall be deemed a representation and warranty by the Agency to the Underwriter as to the truth of the statements therein contained.

(q) No Notification from Internal Revenue Service. The Agency has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

(r) Continuing Disclosure. The Agency covenants and agrees that it will execute a continuing disclosure certificate, constituting an undertaking to provide ongoing disclosure about the Agency and the Bonds, for the benefit of the owners of the Bonds as required by Section (b)(5)(i) of Rule 15c2-12, substantially in the form attached to the Preliminary Official Statement (the “**Disclosure Certificate**”).

(s) Tax Covenant. The Agency will not knowingly take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Indenture or which would cause the interest on the Bonds to be includable in gross income for federal income tax purposes.

(t) Financial Statements. No further consent is required to be obtained for the inclusion of the financial statement with respect to the Private Purpose Trust Fund of the Agency for the Fiscal Year Ending June 30, 2014, which is excerpted from the audited County of Stanislaus, California, Year End June 30, 2014 Comprehensive Annual Financial Report, as [Exhibit _] to the Official Statement.

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

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

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

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

(i) a decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or recommended to the Congress of the United States for passage by the President of the United States, or be enacted or a decision by a federal court of the United States or the United States Tax Court shall have been rendered, or a ruling, release, order, regulation or offering circular by or on behalf of the United States Treasury Department, the Internal Revenue Service or other governmental agency shall have been made or proposed to be made having the purpose or effect, or any other action or event shall have occurred which has the purpose or effect, directly or indirectly, of adversely affecting the federal income tax consequences of owning the Bonds, including causing interest on the Bonds to be included in gross income for purposes of federal income taxation, or imposing federal income taxation upon revenues or other income of the general character to be derived by the Agency or by any similar body under the Indenture or similar documents or upon interest received on obligations of the general character of the Bonds which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of or market for the Bonds; or

(ii) legislation shall have been enacted, or considered for enactment with an effective date prior to the Closing Date, or a decision by a court of the United States shall have been rendered, the effect of which is that of the Bonds, including any underlying obligations, or the Indenture, as the case may be, are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(iii) a stop order, ruling, regulation or offering circular by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, including any underlying obligations, or the execution of the Indenture, as contemplated hereby or by the Official Statement, is or would be in violation of any provisions of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, the Securities

Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(iv) any event shall have occurred or any information shall have become known to the Underwriter which causes the Underwriter to reasonably believe that the Official Statement as then amended or supplemented includes an untrue statement of a material fact, or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; or

(v) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis, including a financial crisis, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds; or

(vi) there shall be in force a general suspension of trading on the New York Stock Exchange, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds; or

(vii) a general banking moratorium shall have been declared by federal, New York or California authorities; or

(viii) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the Agency; or

(ix) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(x) the New York Stock Exchange or other national securities exchange, or any governmental or regulatory authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of the Underwriter; or

(xi) any rating of the Bonds shall have been downgraded, suspended or withdrawn by a national rating service, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(xii) any change, which in the reasonable opinion of the Underwriter, materially adversely affects the marketability of the Bonds or, the financial condition of the Agency.

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

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

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

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

(B) The statements contained in the Official Statement pertaining to the Bonds under the captions ["INTRODUCTORY STATEMENT" "THE BONDS," "SECURITY FOR THE BONDS," "THE INDENTURE," "CONCLUDING INFORMATION – Legal Opinion," and " – Tax Exemption," APPENDIX A – "DEFINITIONS" and APPENDIX B – "FORM OF BOND COUNSEL OPINION,"] excluding any material that may be treated as included under such captions and appendices by cross-reference, insofar as such statements expressly summarize certain provisions of the Bonds, the Indenture and Bond Counsel's final opinion concerning certain federal tax matters relating to the Bonds, are accurate in all material respects;

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

(D) The Refunded Bonds are no longer outstanding and have been legally defeased in accordance with the provisions of the Existing Indenture (as such term is defined in the Indenture).

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

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

(B) The Agency Resolution approving and authorizing the execution and delivery of the Agency Documents and approving the Official Statement was duly adopted, and the Agency Resolution is in full force and effect and has not been modified, amended, rescinded or repealed since the date of its adoption;

(C) The Agency has full authority and power to enter into the Agency documents and the Agency Documents have been duly authorized, executed and delivered by the Agency and constitute valid, legal and binding agreements of the Agency enforceable in accordance with their respective terms, except as

such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against governmental entities in the State of California;

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

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

(F) As a result of the issuance of the Bonds and the defeasance of the Refunded Bonds, there are no other obligations payable from and secured by a pledge of Pledged Tax Revenues other than the Bonds.

(iv) *Disclosure Opinion.* An opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Disclosure Counsel to the Agency, dated the Closing Date, addressed to the Underwriter to the effect that, without passing upon or assuming any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Official Statement or making any representation that such counsel has independently verified the accuracy, completeness or fairness of any such statements, in such counsel's capacity as disclosure counsel to the Agency, to assist it in part of its responsibility with respect to the Official Statement, such counsel participated in conferences with representatives of the Oversight Board, the Agency, Bond Counsel, the Fiscal Consultant (as defined below), the Underwriter and others, during which the contents of the Official Statement and related matters were discussed. Based on such counsel's participation in the above-mentioned conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon and on the records, documents, certificates, opinions and matters mentioned above, such counsel advises as a matter of fact and not opinion that, during the course of such counsel's role as disclosure counsel with respect to the Bonds, no facts came to the attention of the attorneys in such firm rendering legal services in connection with such role which

caused such counsel to believe that the Official Statement as of its date (except for any CUSIP numbers, financial, accounting, statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about The Depository Trust Company, the book-entry system, and the appendices included or referred to therein, which are expressly excluded from the scope of such opinion and as to which such counsel shall express no opinion or view) contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. No responsibility is undertaken or opinion rendered with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by, or incorporated by reference in, the Official Statement;

(v) *Underwriter's Counsel Opinion.* An opinion addressed to the Underwriter of Jones Hall, A Professional Law Corporation, as counsel to the Underwriter, in form and substance satisfactory to the Underwriter.

(vi) *Trustee/Escrow Bank Counsel Opinion.* The opinion of counsel to the Trustee/Escrow Bank, dated the Closing Date, addressed to the Underwriter, in form and substance satisfactory to the Underwriter and to Bond Counsel;

(vii) *Agency Certificate.* A certificate of the Agency, dated the Closing Date, signed on behalf of the Agency by the Treasurer or other duly authorized officer of the Agency to the following effect:

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

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

(viii) *Certificate of Trustee.* A certificate of the Trustee, dated the Closing Date, signed by a duly authorized officer of the Trustee, to the effect that (A) the Trustee is duly organized and validly existing as a national banking association, with full corporate power to undertake the trust of the Indenture; (B) the Trustee has duly authorized, executed and delivered the Indenture and by all proper corporate action has authorized the acceptance of the trust of the Indenture; and (C) to the best of such officer's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Trustee (either in state or federal courts), or to the knowledge of the Trustee which would restrain or enjoin the execution or delivery of the Indenture, or which would affect the validity or enforceability of the Indenture, or the Trustee's participation in, or in any way contesting the powers or the authority of the Trustee with respect to, the transactions contemplated by the Indenture, or any other agreement, document or certificate related to such transactions;

(ix) *Certificate of Escrow Bank.* A certificate of the Escrow Bank, dated the Closing Date, signed by a duly authorized officer of the Escrow Bank, to the effect that (A) the Escrow Bank is duly organized and validly existing as a national banking association, with full corporate power to undertake the trust of the Escrow Agreements; (B) the Escrow Bank has duly authorized, executed and delivered the Escrow Agreements and by all proper corporate action has authorized the acceptance of the trusts of the Escrow Agreements; and (C) to the best of such officer's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Escrow Bank (either in state or federal courts), or to the knowledge of the Escrow Bank which would restrain or enjoin the execution or delivery of the Escrow Agreements, or which would affect the validity or enforceability of the Escrow Agreements or the Escrow Bank's participation in, or in any way contesting the powers or the authority of the Escrow Bank with respect to, the transactions contemplated by the Escrow Agreements, or any other agreement, document or certificate related to such transactions;

(x) *Fiscal Consultant's Certificate.* A certificate of Urban Analytics LLC (the "**Fiscal Consultant**"), dated the Closing Date, addressed to the Agency and the Underwriter in form and substance acceptable to the Underwriter, certifying as to the accuracy of [APPENDIX F – "FISCAL CONSULTANT'S REPORT" and the information in the Official Statement under the captions "THE PROJECT AREA" and "PLEGGED TAX REVENUES,"] consenting to the inclusion of such firm's Fiscal Consultant Report in the Preliminary Official Statement and the Official Statement, and stating that to the best of such firm's knowledge, but without having conducted any investigation with respect thereto, nothing has come to such firm's attention between the date of such report and the date hereof which would materially alter any of the conclusions set forth in such report; and

(xi) *Additional Documents and Certificates.*

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

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

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

(D) A tax certificate or certificates with respect to the tax-exempt status of the Bonds, duly executed by the Agency, in form and substance acceptable to Bond Counsel and the Underwriter;

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

(F) A certified copy of the redevelopment plan for the Santa Ana Heights Project Area and all resolutions/ordinances related thereto;

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

(H) A report of an independent certified public accountant in form and substance satisfactory to the Underwriter and Bond Counsel as to the sufficiency of the escrow funds to defease the Refunded Bonds;

(I) Oversight Board Documents. (1) A certified copy of the resolution of the Oversight Board approving the issuance of the Bonds by the Agency and (2) A certificate of the Clerk to the Oversight Board to the effect that such resolution is in full force and effect and has not been modified, amended, rescinded or repealed since the date of its adoption; and

(J) Evidence satisfactory to the Underwriter of the approval of the issuance of the Bonds by the California Department of Finance;

[(K) a copy of the Municipal Bond Insurance Policy;

(L) a copy of the Reserve Fund Municipal Bond Insurance Policy;

(M) an opinion of counsel to the Municipal Bond Insurer, addressed to the Agency and the Underwriter, in form and substance acceptable to the Agency and Bond Counsel;

(N) a certificate of the Municipal Bond Insurer, signed by an authorized officer of the Municipal Bond Insurer, in form and substance acceptable to the Agency and Bond Counsel; and]

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

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

8. Expenses. The Agency will pay or cause to be paid the expenses incident to the performance of its obligations hereunder and certain expenses relating to the sale of the Bonds, including, but not limited to, (a) the cost of the preparation and printing or other reproduction of the Agency Documents (other than this Purchase Contract); (b) the fees and disbursements of Bond Counsel, Disclosure Counsel, the Agency's financial advisor, the Fiscal Consultant and any other experts or other consultants retained by the Agency; (c) the costs and fees of the rating agencies; (d) the cost of preparing and delivering the definitive Bonds; (e) the cost of providing immediately available funds on the Closing Date; (f) the cost of the printing or other reproduction of the Official Statement and any amendment or supplement thereto, including a reasonable number of certified or conformed copies thereof; and (g) the expenses incurred on behalf of Agency's employees that are incidental to implementing this Purchase Contract, including, but not limited to, meals, transportation, lodging and entertainment of those employees.

The Underwriter will pay, from its discount or otherwise, the expenses of the preparation of this Purchase Contract and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including any advertising costs incurred in connection with the Bonds, the fees and disbursements of Underwriter's Counsel, and all out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds (including without limitation the fees and expenses of its counsel and MSRB, CUSIP Bureau, California Debt and Investment Advisory Commission and California Public Securities Association fees, if any).

9. Contingency of Obligations. The obligations of the Agency hereunder are subject to the performance by the Underwriter of its obligations hereunder.

10. Duration of Representations, Warranties, Agreements and Covenants. All representations, warranties, agreements and covenants of the Agency shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter or the Agency and shall survive the Closing Date.

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

12. Notice. Any notice or other communication to be given to the Agency under this Purchase Contract may be given by delivering the same in writing to such entity at the address set forth above. Any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to:

Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, 35th Floor
San Francisco, California 94104
Attention: Holly B. Vocal

13. Parties in Interest. This Purchase Contract is made solely for the benefit of the Agency and the Underwriter (including the successors or assigns of the Underwriter) and no other person, including any purchaser of the Bonds, shall acquire or have any right hereunder or by virtue hereof.

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

15. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

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

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

18. Effectiveness. This Purchase Contract shall become effective upon acceptance hereof by the Agency.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, AS UNDERWRITER

By: _____
Authorized Officer

Accepted as of the date first stated above
and the time stated below:

SUCCESSOR AGENCY TO THE
STANISLAUS COUNTY REDEVELOPMENT AGENCY

By: _____
Name _____
Title _____

Time of Execution: _____

APPENDIX A
MATURITY SCHEDULE

Maturity Date <u>August 1</u>	<u>Amount</u>	<u>Coupon</u> %	<u>Yield</u> %
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Successor Agency to Stanislaus County Redevelopment Agency Tax Allocation Refunding Overview

July 28, 2015



1300 Clay Street, Suite 1000, Oakland, CA 94612
phone 510-839-8200 fax 510-208-8282

A Division of Zions First National Bank

About KNN Public Finance

- KNN provides independent, objective municipal finance advisory services, primarily to California State and local governments and has worked with the County of Stanislaus since 1993.
- KNN was established in 1982.
- One of the most active and largest financial advisory firms in the State.
- Registered with the Securities and Exchange Commission (SEC) and Municipal Securities Rulemaking Board (MSRB).
- 14 Finance professionals and 2 support staff, with headquarters in downtown Oakland.
- Post-dissolution TAB experience totaling \$423 million.

Summary of Outstanding Tax Allocation Debt

- The Successor Agency currently has \$11.51 million outstanding 2005 Tax Allocation Bonds (Keyes Storm Drain Project), (“2005 Bonds”), with a final maturity of August 1, 2036, and an average rate of 5.35%.
- The 2005 Bonds were originally issued in the par amount of \$15.615 million as unrated, uninsured Tax Allocation Bonds. KNN served as financial advisor and Stone & Youngberg served as the underwriter in connection with the 2005 Bonds.
- The 2005 Bonds are currently callable at a premium of 1.0% of the outstanding par amount. The premium is reduced to 0% on August 1, 2015.
- The Successor Agency also has an outstanding United States Department of Agriculture Note, which refinanced a tax revenue anticipation loan in 2001. The outstanding par amount is \$3.93 million at an interest rate of 4.25%.
- The Successor Agency also has one additional Note outstanding with the State Water Resources Control Board.

Refunding Generates PV Savings

- Currently, a refunding of the 2005 bonds are generating significant present value savings. A refunding of the USDA loan is currently not generating positive savings.
- The analysis assumes a funded debt service reserve fund. The financing team will explore the economics of bond insurance and a surety policy in lieu of a funded debt service reserve fund.
- We recommend the Agency approve the refunding of both transactions, in order to give the financing team flexibility to refund the USDA loan incase it becomes economic at pricing.
- Annual savings is estimated to be about \$100,000 per year. The County's share of savings is approximately 12%.

	Refunding of 2005A Bonds	Refunding of USDA Loan	Total
Sources			
Bond Par Amount:	\$10,380,000	\$3,700,000	\$14,080,000
Bond Premium:	759,925	240,174	1,000,099
Prior Reserve Fund:	1,193,740	245,000	1,438,740
Total Sources:	<u>\$12,333,665</u>	<u>\$4,185,174</u>	<u>\$16,518,839</u>
Uses			
Refunding Escrow:	\$11,242,419	\$3,850,427	\$15,092,846
Reserve Fund:	800,255	285,255	1,085,510
Costs of Issuance:	225,000	20,000	245,000
Underwriter's Discount:	62,280	27,750	90,030
Bond Rounding:	3,711	1,743	5,453
Total Uses:	<u>\$12,333,665</u>	<u>\$4,185,174</u>	<u>\$16,518,839</u>
T.I.C.:	3.98%	4.37%	4.10%
Gross Savings:	\$2,112,208	-\$258,460	\$1,853,748
Present Value Savings (\$):	\$1,085,476	-\$120,220	\$965,256
Present Value Savings (%):	9.80%	-3.19%	6.50%
Average Annual Savings:	\$101,712	-\$9,941	

Reflects market conditions as of July 20, 2015.

Tentative Next Steps

- Tuesday, July 28th – Successor Agency Board approves financing.
- Thursday, August 13th – Oversight Board approves financing.
- Friday, August 14th – Financing submitted to Department of Finance for approval.
- September – Rating agency presentation.
- Tuesday, October 20th – Successor Agency Board approves Preliminary Official Statement.
- Monday, October 19th – Receive approval from Department of Finance (65 days).
- Week of October 26th – Pricing.
- Week of November 9th – Closing.

Staff Recommendations

- Approve a resolution authorizing the issuance and sale of Tax Allocation Refunding Bonds, and approving the form of an Indenture of Trust, Bond Purchase Contract and related documents and authorizing certain other actions in connection therewith.
- Authorize the Chair of the Successor Agency to the Stanislaus Redevelopment Agency to sign the resolution.
- Authorize the Executive Director to execute all the necessary agreements for related professional services to the refunding actions.
- Authorize the Executive Director to place any non-contingent costs on the Recognized Obligation Payment Schedule as an Enforceable Obligation, if Adequate Administrative Cost Allowance is unavailable.