AGENDA

OVERSIGHT BOARD FOR THE CITY OF SAN DIEGO REDEVELOPMENT
SUCCESSOR AGENCY
REGULAR MEETING

MONDAY, OCTOBER 17, 2016 AT 3:00 P.M.

Civic San Diego Board Room
401 B Street, Suite 400, San Diego, CA  92101

Board Members
James Davies, City of San Diego appointee
Andra Donovan, Esq., County Board of Education appointee
Dr. Bonnie Ann Dowd, California Community Colleges appointee
Sandy Kerl, Special District Appointee, San Diego County Water Authority
Kaye Hobson, County of San Diego appointee
Mark Nelson, City of San Diego appointee
Supervisor Ron Roberts, County of San Diego appointee

Adoption Agenda, Consent Items
Any Consent items listed below are considered to be routine. These items are indicated on the agenda by a preceding asterisk (*). Because these items may be handled quickly, if you wish to be heard, submit your Speaker Slip form prior to the start of the meeting.

Non-Agenda Public Comment
This portion of the agenda provides an opportunity for members of the public to address the Board on items of interest within the jurisdiction of the Board. (Comments relating to items on today’s docket are to be taken at the time the item is heard.)

Time allotted to each speaker is determined by the Chair; however, comments are limited to no more than three (3) minutes total per subject regardless of the number of those wishing to speak. Submit requests to speak to the Clerk prior to the start of the meeting. Pursuant to the Brown Act, no discussion or action, other than a referral, shall be taken by the Board on any issue brought forth under “Non-Agenda Public Comment.”

To Address Oversight Board on an Agenda Item
Speaker forms are available prior to each meeting. Fill out a Speaker Slip and submit to the Clerk. Speakers will be called by name to address the Oversight Board when the item is heard. Time allotted to each speaker is determined by the Chair and, in general, is limited to three (3) minutes; moreover, collective testimony by those who support or oppose an item shall be limited to no more than fifteen (15) minutes per side.

The numerical order of items on this agenda is for convenience of reference. Items may be taken out of order upon request of the Chair or Board Members.

Members of the public wishing to address the Board must submit a Speaker Slip to the Clerk prior to the agenda item being called. Please note that Speaker Slips will not be accepted once the item is called. Speaker Slips on any item should be submitted at the beginning of each Board meeting.
Oversight Board Meeting  
Meeting of October 17, 2016  
Page 2

Assistance for the Disabled
This information is available in alternative formats upon request. To request an agenda in Braille, large print, or cassette or to request a sign language or oral interpreter for the meeting, call Michele O’Malia at 619-235-2200 prior to the meeting to ensure availability.

Order of Business

CALL THE MEETING TO ORDER

CHAIR, BOARD, OVERSIGHT BOARD CONTACT COMMENT

APPROVAL OF BOARD MINUTES
The Board minutes for August 15, 2016 will be approved by Unanimous Consent unless pulled for discussion.

NON-AGENDA PUBLIC COMMENT

Adoption AGENDA, CONSENT ITEMS

* ITEM 1 Report and Resolution from the Successor Agency regarding ESTABLISHING A SCHEDULE FOR FUTURE PUBLIC MEETINGS OF THE OVERSIGHT BOARD

ITEM 2 Report and Resolution from the Successor Agency regarding APPROVING THE SUCCESSOR AGENCY’S ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS AND CERTAIN OTHER RELATED ACTIONS

ITEM 3 Report and Resolution from the Successor Agency regarding ADOPTION OF A RESOLUTION APPROVING THE FIRST AMENDMENT TO THE AGREEMENT WITH HARRIS & ASSOCIATES FOR CONSTRUCTION MANAGEMENT SERVICES FOR THE LYCEUM THEATRE RENOVATION PROJECT

COMMUNICATIONS RECEIVED

ADJOURNMENT

THE NEXT SCHEDULED OVERSIGHT BOARD MEETING WILL BE HELD ON MONDAY, NOVEMBER 21, 2016 AT 3:00 P.M.

For more information please contact:
Michele O’Malia: 619-235-2200
Email: omalia@civicsd.com
ADOPTION AGENDA, * CONSENT ITEMS

ITEM 1  Report and Resolution from the Successor Agency regarding APPROVING THE THIRD AMENDMENT TO THE AGREEMENT WITH WALKER MACY FOR CONSTRUCTION ADMINISTRATION SERVICES ON THE HORTON PLAZA URBAN PARK PROJECT

ITEM 2  Report and Resolution from the Successor Agency regarding APPROVING THREE INDEPENDENT APPRAISAL FIRMS TO PROVIDE REAL PROPERTY APPRAISAL SERVICES FOR THE PURPOSE OF ESTABLISHING VALUATIONS AS MAY BECOME NECESSARY IN CONNECTION WITH FUTURE DEVELOPMENT SITES UNDER THE SUCCESSOR AGENCY’S APPROVED AMENDED AND RESTATED LONG-RANGE PROPERTY MANAGEMENT PLAN

CHRONOLOGY OF THE MEETING:
The meeting was called to order by Chair Nelson at 3:05 p.m. The meeting was adjourned by Chair Nelson at 3:11 p.m.

ATTENDANCE DURING THE MEETING:

ROLL CALL:
James Davies, City of San Diego appointee – present
Dr. Bonnie Ann Dowd, California Community Colleges appointee – present
Kaye Hobson, County of San Diego appointee – present
Sandy Kerl, Special District Appointee – present
Mark Nelson, City of San Diego appointee

EXCUSED:
Supervisor Ron Roberts, County of San Diego appointee
ABSENT:
Andra Donovan, Esq., County Board of Education appointee

CLERK OF THE BOARD:
Jodi Haley

CHAIR, BOARD, OVERSIGHT BOARD CONTACT COMMENT
None.

APPROVAL OF BOARD MINUTES
Approval of Board minutes from April 18, 2016.

BOARD ACTION
Motion by Dr. Bonnie Ann Dowd approve the minutes of April 18, 2016.  Seconded James Davies.  Passed by the following vote:
Yea:    Chair Mark Nelson, Dr. Bonnie Ann Dowd, James Davies, Kaye Hobson, and Sandra Kerl;
Nay:     None;
Abstained:  None; and
Not Present:   Andra Donovan and Supervisor Ron Roberts.

NON-AGENDA PUBLIC COMMENT
None.

ADOPTION AGENDA, CONSENT ITEMS

ITEM 1  Report and Resolution from the Successor Agency regarding APPROVING THE THIRD AMENDMENT TO THE AGREEMENT WITH WALKER MACY FOR CONSTRUCTION ADMINISTRATION SERVICES ON THE HORTON PLAZA URBAN PARK PROJECT

ITEM DESCRIPTION:
Adoption of a Resolution Approving the Third Amendment to the Agreement with Walker Macy for Construction Administration Services for the Horton Plaza Improvement Project.

STAFF RECOMMENDATION:
That the Oversight Board approves the Third Amendment to the Successor Agency’s Agreement with Walker Macy and makes certain finding to the effect that the provision of services under the Amendment is in the best interests of the local taxing entities and that the Amendment is necessary for the administration or operation of the Successor Agency.

BOARD ACTION:
Motion by Bonnie Ann Dowd to adopt Resolution OB-2016-12.  Seconded by Kaye Hobson.
ITEM 2
Report and Resolution from the Successor Agency regarding APPROVING THREE INDEPENDENT APPRAISAL FIRMS TO PROVIDE REAL PROPERTY APPRAISAL SERVICES FOR THE PURPOSE OF ESTABLISHING VALUATIONS AS MAY BECOME NECESSARY IN CONNECTION WITH FUTURE DEVELOPMENT SITES UNDER THE SUCCESSOR AGENCY’S APPROVED AMENDED AND RESTATED LONG-RANGE PROPERTY MANAGEMENT PLAN

ITEM DESCRIPTION:
Adoption of a Resolution approving three independent appraisal firms to provide real property appraisal services for the purpose of establishing valuations as may become necessary in connection with future development sites under the successor agency’s approved amended and restated long-range property management plan.

STAFF RECOMMENDATION:
That the Oversight Board adopts a resolution approving certain independent appraisal firms to provide real property appraisal services for the purpose of establishing valuations as may become necessary for implementation of the approved Amended and Restated Long-Range Property Management Plan.

BOARD ACTION:
Motion by James Davies to adopt Resolution OB-2016-13. Seconded by Sandra Kerl.

Passed by the following vote:

Yea: Mark Nelson, James Davies, Kaye Hobson, Dr. Bonnie Ann Dowd, and Sandra Kerl;
Nay: None;
Abstained: None; and
Not Present: Andra Donovan and Supervisor Ron Roberts.

COMMUNICATIONS RECEIVED
None.

ADJOURNMENT
The meeting was adjourned at 3:11 p.m.
ITEM 1

OVERSIGHT BOARD FOR CITY OF SAN DIEGO
REDEVELOPMENT SUCCESSOR AGENCY

DATE ISSUED: October 14, 2016

SUBJECT: Report from the Successor Agency Establishing a Schedule for the Date and Time of Future Public Meetings of the Oversight Board

CONTACT/PHONE NUMBER: Reese A. Jarrett, President, Civic San Diego/619-235-2200

DESCRIPTION SUMMARY OF ITEM:
Adopt a resolution establishing the schedule for the date and time of public meetings of the Oversight Board in 2017 as listed below. Consistent with past practice, it is anticipated that all of these meetings will be held in the Civic San Diego Board Room, 401 B Street, Suite 400, San Diego, California 92101.

January 22
February 27
March 20
April 17
May 15
June 19
July 17
August 21
September 18
October 16
November 20
December 18

STAFF RECOMMENDATION:
Adopt resolution.

BACKGROUND:
Government Code Section 54954(a), part of the Brown Act, requires that public bodies such as the Oversight Board shall provide for the time and place for holding regular meetings. This action will set a schedule for calendar year 2017 based upon the availability of the Board members and will notify the public of the meetings.
With the exception of January and February (due to holiday conflicts), the proposed schedule continues in effect the Oversight Board’s third Monday at 3:00 p.m. schedule.

Respectfully submitted,

[Signature]

Reese A. Jarrett
President
Civic San Diego
OVERSIGHT BOARD RESOLUTION NUMBER OB-2016-14

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN DIEGO REDEVELOPMENT SUCCESSOR AGENCY ESTABLISHING A SCHEDULE FOR FUTURE PUBLIC MEETINGS OF THE OVERSIGHT BOARD

WHEREAS, the former Redevelopment Agency of the City of San Diego (Former RDA) administered the implementation of various redevelopment projects, programs, and activities within designated redevelopment project areas throughout the City of San Diego (City); and

WHEREAS, in accordance with Assembly Bill x1 26 (AB 26), the former RDA dissolved as of February 1, 2012, at which time the City of San Diego, solely in its capacity as the designated successor agency to the former RDA (Successor Agency), assumed the former RDA’s assets and obligations; and

WHEREAS, the Successor Agency is winding down the former RDA’s affairs in accordance with AB 26, enacted on June 28, 2011, Assembly Bill 1484 (AB 1484), enacted on June 27, 2012, and subsequent legislation (collectively, the Dissolution Laws); and

WHEREAS, pursuant to California Health and Safety Code (Code) section 34179, an Oversight Board composed of seven members has been formed to oversee certain actions and decisions of the Successor Agency in accordance with the Dissolution Laws; and

WHEREAS, in accordance with the Brown Act, California Government Code section 54954(a), which requires that public bodies such as the Oversight Board shall provide for the time and place for holding regular meetings, it is the desire of the Board to establish a schedule for future meetings of the Board.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board that the Board hereby adopts the following schedule for its regular meetings for calendar year 2017 to be held in the Civic San Diego Board Room, 401 B Street, Suite 400, San Diego, California 92101.
Monday, January 22, at 3:00 p.m.
Monday, February 27, at 3:00 p.m.
Monday, March 20, at 3:00 p.m.
Monday, April 17, at 3:00 p.m.
Monday, May 15, at 3:00 p.m.
Monday, June 19, at 3:00 p.m.
Monday, July 17, at 3:00 p.m.
Monday, August 21, at 3:00 p.m.
Monday, September 18, at 3:00 p.m.
Monday, October 16, at 3:00 p.m.
Monday, November 20, at 3:00 p.m.
Monday, December 18, at 3:00 p.m.

**PASSED AND ADOPTED** by the Oversight Board at a duly noticed meeting of the Oversight Board held on October 17, 2016.

Chair, Oversight Board
ITEM 2

OVERSIGHT BOARD FOR THE CITY OF SAN DIEGO
REDEVELOPMENT SUCCESSOR AGENCY

DATE ISSUED: October 11, 2016

SUBJECT: Successor Agency to the Redevelopment Agency of the City of San Diego, Tax Allocation Refunding Bonds, Series 2017A and 2017B (Taxable)

CONTACT/PHONE NUMBER:
Lakshmi Kommi, Director Debt Management Dept., 619-236-6928
Richard Eyre, Debt Management Dept., 619-236-6899

STAFF RECOMMENDATION: Approve the proposed resolution.

DESCRIPTIVE SUMMARY OF ITEM: The proposed resolution approves the issuance of the Successor Agency to the Redevelopment Agency of the City of San Diego, Tax Allocation Refunding Bonds, Series 2017A and 2017B (Taxable) (collectively, the "2017 Refunding Bonds"), subject to the requirements of California Health and Safety Code section 34177.5, to complete an economic refinancing (or refunding) of thirteen (13) tax allocation bond series of the former Redevelopment Agency of San Diego. The goal of the refunding is to reduce the annual debt service obligations of the Successor Agency and consolidate multiple bond issues into a single bond issuance, thereby significantly reducing and simplifying future administrative requirements of the Successor Agency, while also structuring the bonds in a manner consistent with applicable federal tax rules.

BACKGROUND: As of January 2016, twenty-two (22) tax allocation bond series of the City’s former Redevelopment Agency were refunded by two series of bonds issued by the Successor Agency: the Tax Allocation Refunding Bonds, Series 2016A and Series 2016B (Taxable) (collectively, the "2016 Refunding Bonds"). The refunding reduced the Successor Agency's outstanding bond obligations from thirty-seven (37) to sixteen (16) and produced $83 million in gross cash flow savings (or 19% net present value savings).

The City's Debt Management Department (“Debt Management”), on behalf of the Successor Agency and in consultation with CSG Advisors Inc. (“CSG”), the municipal advisor engaged for this refunding, has identified thirteen (13) eligible series to be refunded by the 2017 Refunding Bonds. The eligible series were originally issued from 2006 to 2010, as such, the economic refundings will be conducted on a current and advance refunding basis and expected to meet, in aggregate, net present value savings levels of at least 3% and 4%, respectively, as cited in the City's Debt Policy. See attached Exhibit A – Prior Series for the schedule listing the refunding eligible bond series (subject to market conditions).

Since the adoption of AB x1 26 and AB 1484 establishing the laws governing the dissolution of redevelopment agencies, refunding of outstanding debt is required to be approved by not only the
Successor Agency, but also the Oversight Board and the California Department of Finance ("DOF"). The Oversight Board is being asked to adopt the resolution approving the proposed refunding and determining, in accordance with California Health and Safety Code section 34177.5(h), that: (a) the Successor Agency has made, and will continue to make, diligent efforts to assure that the lowest long-term cost financing is obtained with the refunding bonds; (b) the refunding bonds will not provide for any bullets or spikes and will not use variable rates of interest; and (c) the Successor Agency has made, and will continue to make, use of an independent municipal advisor in issuing the refunding bonds. As required, CSG has provided the Successor Agency with its analysis of the 2017 Refunding Bonds. See Exhibit C for the Financial Advisor Work Product.

Given the current attractiveness of the municipal bond market, it is staff’s opinion that the Successor Agency will be best positioned to mitigate future interest rate risk by moving forward with the 2017 Refunding Bonds. Successor Agency staff is making this complex financing a priority and has dedicated significant resources to this effort, recognizing the benefits to the Successor Agency and the local taxing entities. The 2017 Refunding Bonds will be issued as a public offering in a principal amount not to exceed $260 million. The Refunding Bonds are proposed to be issued as Parity Debt under the Indenture for the 2016 Refunding Bonds pursuant to a First Supplemental Indenture of Trust in substantially the form attached as Exhibit B to this report.

The objectives of the proposed refunding are to maximize net present value savings ("NPV savings") by consolidating the refunded series into a single "pooled" bond issuance, as was done with the 2016 Refunding Bonds, while also structuring the bonds in a manner consistent with applicable federal tax rules. Debt Management is working diligently with tax counsel and the municipal advisor to generate a sound financing plan that maximizes economic savings, while ensuring the Successor Agency remains compliant with the legal requirements relating to funds of certain bond series. The revenue pledged to payment of the existing bonds, as well as any future refunding bonds, is the Redevelopment Property Tax Trust Fund ("RPTTF") held and distributed to the Successor Agency every six months by the San Diego County Auditor-Controller. This refunding will pledge net RPTTF funds available after existing bonds’ debt service payments, current senior pass-through payments, administrative costs and any other senior enforceable obligations are met.

**Refunding Timeline**

Debt Management, in consultation with the City Attorney’s Office, formed the following external financing team required for the successful completion of the pooled refunding:

<table>
<thead>
<tr>
<th>Company</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSG Advisors Inc.</td>
<td>Municipal Advisor</td>
</tr>
<tr>
<td>Stradling, Yocca, Carlson and Rauth</td>
<td>Bond and Disclosure Counsel</td>
</tr>
<tr>
<td>Stifel, Nicolaus &amp; Co.</td>
<td>Senior Manager, Underwriting Syndicate</td>
</tr>
<tr>
<td>Citigroup</td>
<td>Co-Senior Manager</td>
</tr>
<tr>
<td>Keyser Marston Associates</td>
<td>Fiscal Consultant</td>
</tr>
</tbody>
</table>
On September 19, 2016, the Successor Agency introduced its ordinance authorizing the 2017 Refunding Bonds. See Exhibit B for Successor Agency Ordinance. Successor Agency staff anticipate timely Successor Agency adoption of its ordinance authorizing the 2017 Refunding Bonds and associated legal documents on October 18, 2016. Following authorization of the 2017 Refunding Bonds by both the Successor Agency and the Oversight Board, the Oversight Board authorizing resolution will be sent to DOF for approval. The DOF has 60 days to review and approve the 2017 Refunding Bonds. After the completion of these steps, the proposed 2017 Refunding Bonds are expected to be priced and closed in January 2017.

**DISCUSSION:** Residual RPTTF monies, when available, are distributed in accordance with California Health and Safety Code section 34188, which dictates how each local taxing entity receives its distribution based on its existing proportionate share of property taxes (which were established by AB 8). The contemplated refunding provides, subject to market conditions, a significant reduction in the amount of Successor Agency enforceable obligations by lowering debt service payments, which generally increases residual RPTTF payments to the local taxing entities.

Under recent market conditions, the refunding estimates 19% NPV savings, equal to approximately $4.3 million in average annual cash flow savings to be shared by each local taxing entity over the remaining life of the bonds (approximately 24 years) according to their proportionate share. The City's share is currently 17.5%. Other local taxing entities that will benefit from the refunding include local K-12 school districts (44%), community college districts (6%), as well as, the County (15%) and other special districts. It is important to note that savings estimates are inclusive of all financing costs that are paid from bond proceeds.

**CONCLUSION:** The Successor Agency respectfully submits the refunding resolution for the Oversight Board's approval. Successor Agency staff recommend approval of the 2017 Refunding Bonds for the purposes of: (1) increasing tax revenue to all affected taxing entities by reducing bond debt service; and (2) lessening the administrative burden on the Successor Agency.

Respectfully submitted,

Lakshmi Kommi  
Director, Debt Management Department  
City of San Diego

Mary Lewis  
Chief Financial Officer  
City of San Diego

Concurred by:

Reese Jarrett  
President, Civic San Diego
Exhibit A

Prior Series

1. $76,255,000 Centre City Redevelopment Project Subordinate Tax Allocation Bonds, Series 2006A (the “Centre City Series 2006A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Deutsche Bank National Trust Company, dated as of June 1, 2006, relating to the Centre City Series 2006A Bonds

2. $33,760,000 Centre City Redevelopment Project Tax Allocation Housing Bonds, Series 2006B (Taxable) (the “Centre City Series 2006B Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Deutsche Bank National Trust Company, dated as of June 1, 2006, relating to the Centre City Series 2006B Bonds

3. $69,000,000 Redevelopment Agency of the City of San Diego Centre City Redevelopment Project Tax Allocation Housing Bonds, Series 2008A (Taxable) (the “Centre City Series 2008A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Deutsche Bank National Trust Company, dated as of June 1, 2008, relating to the Centre City Series 2008A Bonds

4. $13,930,000 North Park Redevelopment Project Subordinate Tax Allocation Bonds, Series 2009A (the “North Park Series 2009A Bonds”), issued pursuant to that certain Indenture of Trust between the Former Agency and Wells Fargo Bank, National Association, dated as of July 1, 2009, relating to the North Park Series 2009A Bonds

5. $5,635,000 City Heights Redevelopment Project Tax Allocation Bonds, 2010 Series A (Tax Exempt) (the “City Heights Series 2010A Bonds”), issued pursuant to that certain Master Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, as supplemented by that certain First Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, that certain Second Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, and that certain Third Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and U.S. Bank National Association, dated as of August 1, 2010, relating to the City Heights Series 2010A Bonds

6. $9,590,000 City Heights Redevelopment Project Tax Allocation Bonds, 2010 Series B (Taxable) (the “City Heights Series 2010B Bonds”), issued pursuant to that certain Master Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, as supplemented by that certain First Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, that certain Second Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, and that certain Third
Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and U.S. Bank National Association, dated as of August 1, 2010, relating to the City Heights Series 2010B Bonds 2017 RDA Refunding Bonds

7. $4,915,000 Crossroads Redevelopment Project Tax Allocation Bonds, 2010 Series A (the “Crossroads Series 2010A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and U.S. Bank National Association, dated as of August 1 2010, relating to the Crossroads Series 2010A Bonds

8. $19,765,000 Naval Training Center Redevelopment Project Tax Allocation Bonds, 2010 Series A (the “Naval Training Center Series 2010A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and U.S. Bank National Association, dated as of August 1 2010, relating to the Naval Training Center Series 2010A Bonds


11. $17,230,000 Public Facilities Financing Authority of the City of San Diego, California Pooled Financing Bonds, 2007 Series A (Taxable) (Southcrest, Central Imperial and Mount Hope Redevelopment Projects) (the “PFFA Series 2007A Bonds”), issued pursuant to that certain Indenture of Trust between the Former Agency and The Bank of New York Trust Company, N.A. (“BNY Trust Company”), dated as of June 1 2007, relating to the PFFA Series 2007A Bonds

12. $17,755,000 Public Facilities Financing Authority of the City of San Diego, California Pooled Financing Bonds, 2007 Series B (Tax-Exempt) (Southcrest and Central Imperial Redevelopment Projects) (the “PFFA Series 2007B Bonds”), issued pursuant to that certain Indenture of Trust between the Former Agency and BNY Trust Company, dated as of June 1 2007, relating to the PFFA Series 2007B Bonds. Proceeds of the PFFA Series 2007A Bonds and the PFFA Series 2007B Bonds were used to make five separate loans to the Former Agency, and are secured by the Successor Agency’s payments under such loans, pursuant to the following documents: (1) the Master Trust Agreement (Southcrest Redevelopment Project), as supplemented by the Loan Agreement and Third Supplemental Trust Agreement (Southcrest Redevelopment Project), dated as of June 1, 2007, by and among the Public Facilities Financing Authority of the City of San Diego, California (the “Authority”), BNY Trust Company and the Former Agency relating to the tax-exempt loan of $9,405,000 and the taxable loan of $7,605,000 to the Former Agency with respect to the Southcrest Redevelopment Project; (2) the Master Trust Agreement (Central Imperial Redevelopment Project), as supplemented by the Loan Agreement and Second
Supplemental Trust Agreement (Central Imperial Redevelopment Project), dated as of June 1, 2007, by and among the Authority, BNY Trust Company and the Former Agency relating to the tax-exempt loan of $8,350,000 and the taxable loan of $6,515,000 to the Former Agency with respect to the Central Imperial Redevelopment Project; and (3) the Master Trust Agreement (Mount Hope Redevelopment Project), as supplemented by the Loan Agreement and Fourth Supplemental Trust Agreement (Mount Hope Redevelopment Project), dated as 2017 RDA Refunding Bonds of June 1, 2007, by and among the Authority, BNY Trust Company and the Former Agency relating to the taxable loan of $3,110,000 to the Former Agency with respect to the Mount Hope Redevelopment Project.

Exhibit B

1. Indenture
   b. Form of the First Supplemental Indenture of Trust, relating to the Successor Agency to the Redevelopment Agency of the City of San Diego Tax Allocation Refunding Bonds, Series 2017A and 2017B (Taxable)

2. Successor Agency Ordinance
INDENTURE OF TRUST

Dated as of January 1, 2016

by and between the

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF SAN DIEGO

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Relating to

$145,080,000
Successor Agency to the Redevelopment Agency of the City of San Diego
Tax Allocation Refunding Bonds, Series 2016A

and

$30,105,000
Successor Agency to the Redevelopment Agency of the City of San Diego
Tax Allocation Refunding Bonds, Series 2016B (Federally Taxable)
TABLE OF CONTENTS

ARTICLE I
DETERMINATIONS; DEFINITIONS

Section 1.01 Findings and Determinations ................................................................. 3
Section 1.02 Definitions ........................................................................................... 3
Section 1.03 Rules of Construction ........................................................................ 19

ARTICLE II
AUTHORIZATION AND TERMS

Section 2.01 Authorization of 2016 Bonds .............................................................. 19
Section 2.02 Terms of 2016 Bonds ........................................................................ 19
Section 2.03 Redemption of 2016 Bonds ................................................................. 21
Section 2.04 Form of 2016 Bonds .......................................................................... 25
Section 2.05 Execution of Bonds .......................................................................... 25
Section 2.06 Transfer of Bonds ............................................................................ 26
Section 2.07 Exchange of Bonds .......................................................................... 26
Section 2.08 Registration of Bonds ....................................................................... 26
Section 2.09 Temporary Bonds ............................................................................ 27
Section 2.10 Bonds Mutilated, Lost, Destroyed or Stolen ....................................... 27
Section 2.11 Book-Entry System .......................................................................... 27
Section 2.12 Applicability of Provisions to Additional Bonds ............................... 29

ARTICLE III
DEPOSIT AND APPLICATION; ADDITIONAL DEBT

Section 3.01 Issuance of Bonds ............................................................................. 29
Section 3.02 Application of Proceeds of Sale and Certain Other Amounts .......... 29
Section 3.03 Costs of Issuance Fund ..................................................................... 30
Section 3.04 Refunding Fund ................................................................................ 30
Section 3.05 Issuance of Parity Debt ...................................................................... 32
Section 3.06 Issuance of Subordinate Debt .............................................................. 32
Section 3.07 Issuance of Senior Obligations to Refund Senior Obligations .......... 32

ARTICLE IV
SECURITY OF BONDS; FLOW OF FUNDS

Section 4.01 Security of Bonds; Equal Security .................................................... 32
Section 4.02 Special Fund; Deposit of Pledged Tax Revenues ............................... 33
Section 4.03 Deposit of Amounts by Trustee ........................................................ 33
Section 4.04 Rebate Fund ..................................................................................... 37

ARTICLE V
OTHER COVENANTS OF THE SUCCESSOR AGENCY

Section 5.01 Punctual Payment ............................................................................ 38
Section 5.02 Limitation on Additional Indebtedness; Against Encumbrances .......... 38
Section 5.03 Extension of Payment ...................................................................... 39
Section 5.04 Payment of Claims .......................................................................... 39
Section 5.05 Books and Accounts; Financial Statements ...................................... 39
TABLE OF CONTENTS
(continued)

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.06</td>
<td>Protection of Security and Rights of Owners</td>
<td>39</td>
</tr>
<tr>
<td>5.07</td>
<td>Payments of Taxes and Other Charges</td>
<td>40</td>
</tr>
<tr>
<td>5.08</td>
<td>Taxation of Leased Property</td>
<td>40</td>
</tr>
<tr>
<td>5.09</td>
<td>Disposition of Property</td>
<td>40</td>
</tr>
<tr>
<td>5.10</td>
<td>Maintenance of Pledged Tax Revenues</td>
<td>40</td>
</tr>
<tr>
<td>5.11</td>
<td>Tax Covenants</td>
<td>40</td>
</tr>
<tr>
<td>5.12</td>
<td>Continuing Disclosure</td>
<td>41</td>
</tr>
<tr>
<td>5.13</td>
<td>Compliance with the Dissolution Act</td>
<td>41</td>
</tr>
<tr>
<td>5.14</td>
<td>Last and Final Recognized Obligation Payment Schedule</td>
<td>43</td>
</tr>
<tr>
<td>5.15</td>
<td>Further Assurances</td>
<td>43</td>
</tr>
<tr>
<td>6.01</td>
<td>Duties, Immunities and Liabilities of Trustee</td>
<td>43</td>
</tr>
<tr>
<td>6.02</td>
<td>Merger or Consolidation</td>
<td>45</td>
</tr>
<tr>
<td>6.03</td>
<td>Liability of Trustee</td>
<td>45</td>
</tr>
<tr>
<td>6.04</td>
<td>Right to Rely on Documents and Opinions</td>
<td>46</td>
</tr>
<tr>
<td>6.05</td>
<td>Preservation and Inspection of Documents</td>
<td>47</td>
</tr>
<tr>
<td>6.06</td>
<td>Compensation and Indemnification</td>
<td>47</td>
</tr>
<tr>
<td>6.07</td>
<td>Deposit and Investment of Moneys in Funds</td>
<td>48</td>
</tr>
<tr>
<td>6.08</td>
<td>Accounting Records and Financial Statements</td>
<td>49</td>
</tr>
<tr>
<td>6.09</td>
<td>Other Transactions with Agency</td>
<td>49</td>
</tr>
<tr>
<td>7.01</td>
<td>Amendment With And Without Consent of Owners</td>
<td>49</td>
</tr>
<tr>
<td>7.02</td>
<td>Effect of Supplemental Indenture</td>
<td>50</td>
</tr>
<tr>
<td>7.03</td>
<td>Endorsement or Replacement of Bonds After Amendment</td>
<td>50</td>
</tr>
<tr>
<td>7.04</td>
<td>Amendment by Mutual Consent</td>
<td>50</td>
</tr>
<tr>
<td>7.05</td>
<td>Opinion of Counsel</td>
<td>50</td>
</tr>
<tr>
<td>7.06</td>
<td>Copy of Supplemental Indenture to S&amp;P</td>
<td>50</td>
</tr>
<tr>
<td>8.01</td>
<td>Events of Default and Acceleration of Maturities</td>
<td>51</td>
</tr>
<tr>
<td>8.02</td>
<td>Application of Funds Upon Acceleration</td>
<td>52</td>
</tr>
<tr>
<td>8.03</td>
<td>Power of Trustee to Control Proceedings</td>
<td>53</td>
</tr>
<tr>
<td>8.04</td>
<td>Limitation on Owner’s Right to Sue</td>
<td>53</td>
</tr>
<tr>
<td>8.05</td>
<td>Non-Waiver</td>
<td>53</td>
</tr>
<tr>
<td>8.06</td>
<td>Actions by Trustee as Attorney-in-Fact</td>
<td>54</td>
</tr>
<tr>
<td>8.07</td>
<td>Remedies Not Exclusive</td>
<td>54</td>
</tr>
<tr>
<td>8.08</td>
<td>Determination of Percentage of Bondowners</td>
<td>54</td>
</tr>
</tbody>
</table>
ARTICLE IX
MISCELLANEOUS

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.01</td>
<td>Benefits Limited to Parties</td>
<td>54</td>
</tr>
<tr>
<td>9.02</td>
<td>Successor is Deemed Included in All References to Predecessor</td>
<td>55</td>
</tr>
<tr>
<td>9.03</td>
<td>Discharge of Indenture</td>
<td>55</td>
</tr>
<tr>
<td>9.04</td>
<td>Execution of Documents and Proof of Ownership by Owners</td>
<td>56</td>
</tr>
<tr>
<td>9.05</td>
<td>Disqualified Bonds</td>
<td>56</td>
</tr>
<tr>
<td>9.06</td>
<td>Waiver of Personal Liability</td>
<td>56</td>
</tr>
<tr>
<td>9.07</td>
<td>Destruction of Cancelled Bonds</td>
<td>57</td>
</tr>
<tr>
<td>9.08</td>
<td>Notices</td>
<td>57</td>
</tr>
<tr>
<td>9.09</td>
<td>Partial Invalidity</td>
<td>57</td>
</tr>
<tr>
<td>9.10</td>
<td>Unclaimed Moneys</td>
<td>57</td>
</tr>
<tr>
<td>9.11</td>
<td>Execution in Counterparts</td>
<td>58</td>
</tr>
<tr>
<td>9.12</td>
<td>Governing Law</td>
<td>58</td>
</tr>
</tbody>
</table>

EXHIBIT A  PROJECT AREAS ......................................................................................... A-1
EXHIBIT B  SENIOR OBLIGATIONS ............................................................................... B-1
EXHIBIT C  REFUNDED BONDS .................................................................................. C-1
EXHIBIT D  PASS-THROUGH AGREEMENTS ..................................................................... D-1
EXHIBIT E  PRIOR AGREEMENTS .............................................................................. E-1
EXHIBIT F  FORM OF SERIES 2016A BOND ................................................................ F-1
EXHIBIT G  FORM OF SERIES 2016B BOND ................................................................ G-1
EXHIBIT H  TRUSTEE COMPENSATION TERMS (TAXABLE) ............................................ H-1
INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this “Indenture”) is made and entered into and dated as of January 1, 2016, by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, a public body, corporate and politic (the “Successor Agency”), as successor agency to the Redevelopment Agency of the City of San Diego (the “Former Agency”) and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the “Trustee”);

WITNESSETH:

WHEREAS, from its formation in 1958 until its elimination on February 1, 2012, the Former Agency administered the implementation of various redevelopment projects, programs, and activities within designated areas throughout the City of San Diego (the “City”); and

WHEREAS, the Former Agency 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 California Health and Safety Code (as amended, the “Law”) and the powers of the Former Agency included the power to issue bonds and incur debt for any of its corporate purposes; and

WHEREAS, the City Council of the City, acting as the Former Agency’s governing board, duly adopted, and in some instances amended, redevelopment plans (collectively, “Redevelopment Plans”) for each of the redevelopment project areas (collectively, “Project Areas”) in the City, now consolidated into fourteen Project Areas as a result of previous mergers, as shown on Exhibit A hereof, in compliance with all requirements of the Law;

WHEREAS, in order to finance and refinance redevelopment activities within or of benefit to the Project Areas, the Former Agency issued from time to time its tax allocation bonds or loans identified on Exhibit B attached hereto and incorporated herein (collectively, the “Senior Obligations”) and its tax allocation bonds identified in Exhibit C attached hereto and incorporated herein (collectively, the “Refunded Bonds”);

WHEREAS, on June 28, 2011, the California Legislature enacted California Assembly Bill X1 26 (“AB X1 26”), which amended provisions of the Law and enacted Parts 1.8 and 1.85 of Division 24 of the California Health and Safety Code;

WHEREAS, the California Supreme Court’s decision in California Redevelopment Association v. Matosantos (the “Matosantos Decision”) upheld AB X1 26, resulting in the dissolution of the Former Agency on February 1, 2012;

WHEREAS, pursuant to AB X1 26 and the Matosantos Decision, the Successor Agency assumed certain powers, assets, duties and obligations of the Former Agency, including, without limitation, the obligations of the Former Agency under the Senior Obligations and the Refunded Bonds and the related documents to which the Former Agency was a party;
WHEREAS, on or about June 27, 2012, Assembly Bill 1484 ("AB 1484") was adopted as a trailer bill in connection with the fiscal year 2012-13 California Budget;

WHEREAS, AB XI 26, as amended by AB 1484, and as subsequently amended, is referred to as the "Dissolution Act";

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 Refunded 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 Tax Allocation Refunding Bonds, Series 2016A (the "Series 2016A Bonds") and its Tax Allocation Refunding Bonds, Series 2016B (Federally Taxable) (the "Series 2016B Bonds" and, together with the Series 2016A Bonds, the "2016 Bonds");

WHEREAS, the 2016 Bonds will be issued and secured pursuant to and in accordance with the provisions of Section 34177.5(a)(1) and Section 34177.5(g) of the California Health and Safety Code, the Law and the Refunding Law;

WHEREAS, the 2016 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 2016 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 Senior Obligations that remain outstanding after the issuance of the 2016 Bonds as well as payments required under the Prior Agreements, the Pass-Through Agreements the payment for which have not been subordinated to the Bonds and the senior Statutory Pass-Through Amounts;

WHEREAS, in order to provide for the authentication and delivery of the 2016 Bonds, to establish and declare the terms and conditions upon which the 2016 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 2016 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 2016 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 2016 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 2016 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 2016 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 2016 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 2016 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.

“Authorized Signatory” and “Authorized Signatories” mean, individually and collectively, the following officers of the City, acting on behalf of the Successor Agency: the Mayor, the Chief Financial Officer, the Chief Operating Officer, the Assistant Chief Operating Officer, the Deputy Chief Operating Officer for Neighborhood Services, and the Director of the City of San Diego Economic Development Department.

“Bonds” means the 2016 Bonds and any Parity Debt issued pursuant to a Supplemental Indenture or a Parity Debt Instrument.

“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 Insurer” means any Insurer, other than the 2016 Insurer in its capacity as issuer of the 2016 Surety Bond.

“Bond Year” means each twelve (12) month period extending from September 2 in one calendar year to September 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 September 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.

“City” means the City of San Diego.

“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 2016 Bonds is January 28, 2016.

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Series 2016A Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Series 2016A Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate, with respect to the 2016 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 City 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 San Diego.

“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 XI 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 Agent" shall mean the respective Escrow Agent identified in each of the Escrow Agreements for the Refunded Bonds referenced in this Indenture.


"Escrow Agreement (Centre City 2001A Bonds)" shall mean the Prior Bonds Escrow Agreement dated as of January 1, 2016 providing for the defeasance of the Current Interest Bonds portion of the $58,425,099.75 Centre City Redevelopment Project Subordinate Tax Allocation...


“Escrow Agreement (Centre City 2000A Bonds)” shall mean the Prior Bonds Escrow Agreement dated as of January 1, 2016 providing for the defeasance of the $6,100,000 Centre City Redevelopment Project Subordinate Tax Allocation Bonds, Series 2000A Bonds, comprising a portion of the Refunded Bonds, between the Successor Agency and MUFG Union Bank, N.A., as Escrow Agent.


“Escrow Agreement (Centre City 1999C Bonds)” shall mean the Prior Bonds Escrow Agreement dated as of January 1, 2016 providing for the defeasance of the $13,610,000 Centre City Redevelopment Project Subordinate Tax Allocation Bonds, Series 1999C (Tax-Exempt) Bonds, comprising a portion of the Refunded Bonds, between the Successor Agency and U.S. Bank National Association, as Escrow Agent.

“Escrow Agreement (City Heights 1999A Bonds)” shall mean the Prior Bonds Escrow Agreement dated as of January 1, 2016 providing for the defeasance of the $5,690,000.00 City Heights Redevelopment Project Tax Allocation Bonds, Series 1999A Bonds, comprising a portion of
the Refunded Bonds, between the Successor Agency and U.S. Bank National Association, as Escrow Agent.


"Escrow Agreement (Centre City 2003A Bonds)" shall mean the Prior Bonds Escrow Agreement dated as of January 1, 2016 providing for the defeasance of the $31,000,000 Centre City Redevelopment Project Subordinate Tax Allocation Bonds, Series 2003A Bonds, comprising a portion of the Refunded Bonds, between the Successor Agency and Wells Fargo Bank, National Association, as Escrow Agent.

"Escrow Agreement (Centre City 2004A Bonds)" shall mean the Prior Bonds Escrow Agreement dated as of January 1, 2016 providing for the defeasance of the $101,180,000 Centre City Redevelopment Project Subordinate Tax Allocation Bonds, Series 2004A Bonds, comprising a portion of the Refunded Bonds, between the Successor Agency and Wells Fargo Bank, National Association, as Escrow Agent.

"Escrow Agreement (Centre City 2004C (Taxable) and 2004D (Taxable) Bonds)" shall mean the Prior Bonds Escrow Agreement dated as of January 1, 2016 providing for the defeasance of the $27,785,000 Centre City Redevelopment Project Tax Allocation Housing Bonds, Series 2004C (Taxable) (the "Centre City Series 2004C Bonds"), and $8,905,000 Centre City Redevelopment Project Tax Allocation Housing Bonds, Series 2004D (Taxable) (the "Centre City Series 2004D Bonds") Bonds, comprising a portion of the Refunded Bonds, between the Successor Agency and Wells Fargo Bank, National Association, as Escrow Agent.


"Escrow Agreement (Horton Plaza 2003C (Taxable) Bonds)" shall mean the Prior Bonds Escrow Agreement dated as of January 1, 2016 providing for the defeasance of the $8,000,000 Horton Plaza Redevelopment Project Tax Allocation Housing Bonds, Series 2003C (Taxable) Bonds, comprising a portion of the Refunded Bonds, between the Successor Agency and Wells Fargo Bank, National Association, as Escrow Agent.

"Escrow Agreement (North Bay 2000 Bonds)" shall mean the Prior Bonds Escrow Agreement dated as of January 1, 2016 providing for the defeasance of the $13,000,000 North Bay
Redevelopment Project Tax Allocation Bonds, Series 2000 Bonds, comprising a portion of the Refunded Bonds, between the Successor Agency and Wells Fargo Bank, National Association, as Escrow Agent.

"Escrow Agreement (North Park 2000 Bonds)" shall mean the Prior Bonds Escrow Agreement dated as of January 1, 2016 providing for the defeasance of the $7,000,000 North Park Redevelopment Project Tax Allocation Bonds, Series 2000 Bonds, comprising a portion of the Refunded Bonds, between the Successor Agency and Wells Fargo Bank, National Association, as Escrow Agent.

"Escrow Agreement (North Park 2003A (Taxable) and 2003B Bonds)" shall mean the Prior Bonds Escrow Agreement dated as of January 1, 2016 providing for the defeasance of the $7,145,000 North Park Redevelopment Project 2003 Tax Allocation Bonds, Series A (Taxable), and $5,360,000 North Park Redevelopment Project 2003 Tax Allocation Bonds, Series B (Tax-Exempt) Bonds, comprising a portion of the Refunded Bonds, between the Successor Agency and Wells Fargo Bank, National Association, as Escrow Agent.

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

"Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, 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 Certificates" means evidences of indebtedness or ownership of proportionate interests in future principal and interest payments of Federal Securities, including depository receipts thereof, wherein (i) a bank or trust company acts as custodian and holds the underlying Federal Securities; (ii) the owner of the Federal Certificate is a real party in interest with the right to proceed directly and individually against the obligor of the underlying Federal Securities; and (iii) the underlying Federal Securities are held in trust in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian or any person claiming through the custodian, or any person to whom the custodian may be obligated.

"Federal Securities" means the following securities: direct 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, and United States Treasury Obligations, State and Local Government Series) or evidence of ownership in a portion thereof (which may consist of specified portions of interest thereon and obligations of the Resolution Funding Corporation which constitute interest strips) if
held by a custodian on behalf of the Trustee; obligations the principal of and interest on which are
unconditionally guaranteed by the United States of America; prerefunded municipal obligations
rated, at the time of purchase, by Moody’s and S&P in their highest Rating Category; provided that
“structured securities” (including flip notes, range notes, inverse floaters and step-ups) will not be
considered Federal Securities; provided further that floaters (based on single, interest rate based
indices) and callable securities of the above enumerated agencies may be treated as Federal
Securities.

“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.

“Fitch” means Fitch Ratings, New York, New York, or its successors, and if such
organization shall for any reason no longer perform the functions of a securities rating agency,
“Fitch” shall be deemed to refer to any other nationally recognized securities rating agency
designated by the Successor Agency.

“Former Agency” means the now dissolved Redevelopment Agency of the City of San
Diego.

“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 City;

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

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

“Independent Redevelopment Consultant” means any consultant or firm of such
consultants appointed by the Successor Agency (who may be an underwriter of bonds of the
Successor Agency or the City), 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 City;
(c) does not have any substantial interest, direct or indirect, with the Successor Agency or the City; and

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

“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 2016 Insurer and, as applicable to the extent provided in a Supplemental Indenture, 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 March 1 and September 1, commencing September 1, 2016, for so long as any of the Bonds remain Outstanding hereunder.

“Last and Final ROPS” means a Last and Final Recognized Obligation Payment Schedule authorized by Section 34191.6 of 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 2016 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 2016 Bonds or any Parity Debt to the extent that amounts due with respect to the 2016 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, New York, New York, or its successors, and if such organization shall for any reason no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Successor Agency.

“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 2016 Bonds pursuant to Section 3.05.

“Parity Debt Instrument” means an ordinance, 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 agreements entered into between the Former Agency and various taxing agencies with respect to the allocation and transfer of certain revenues from one or more of the Project Areas, as set forth in Exhibit D attached hereto and made a part hereof.

“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:

(1) Federal Securities or Federal Certificates;

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

(A) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);
(B) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes;

(C) Federal Home Loan Banks (FHL Banks) consolidated debt obligations;

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

(E) The senior debt obligations of Resolution Funding Corporation (RFCO), Financing Corporation (FICO) and Tennessee Valley Authority (TVA);

(3) Obligations of any state, territory or commonwealth of the United States of America or any political subdivision thereof or any agency or department of the foregoing, that are rated, at the time of purchase, in the highest Rating Category by two Rating Agencies;

(4) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. Investments under this subdivision shall be rated “AA” or better by a Rating Agency;

(5) Bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by any corporation which are rated, at the time of purchase, “A1/P1/F1” by two Rating Agencies or, if the term of such indebtedness is longer than one year, rated in the highest Rating Category by two Rating Agencies;

(6) Taxable commercial paper or tax-exempt commercial paper with a maturity of not more than 270 days, which are rated, at the time of purchase, “A1/P1/F1” by two Rating Agencies;

(7) Deposit accounts or certificates of deposit, whether negotiable or non-negotiable, issued by a state or national bank (including the Trustee) or a state or federal savings and loan association or a state-licensed branch of a foreign bank; provided, however, that such certificates of deposit or deposit accounts shall be either (A) continuously insured by the Federal Deposit Insurance Corporation; or (B) have maturities of not more than 365 days (including certificates of deposit) and are issued by any state or national bank or a state or federal savings and loan association, the short-term obligations of which are rated, at the time of purchase, in the highest short term rating by two Rating Agencies;

(8) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, which bank has short-term obligations outstanding which are rated, at the time of purchase, by two Rating Agencies in the highest short-term Rating Category, and which bankers acceptances mature not later than 365 days from the date of purchase;
(9) Any repurchase agreement: (A) with (i) any bank or trust company organized under the laws of any state of the United States or any national banking association (including the Trustee), or a state-licensed branch of a foreign bank, having a minimum permanent capital of one hundred million dollars ($100,000,000) and having short-term debt which is rated, at the time of the purchase, by two Rating Agencies in one of the three highest short-term Rating Categories; or (ii) any government bond dealer reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York; and (B) which agreement is secured by any one or more of the securities and obligations described in clause (1) or (2) of this definition and having maturities equal to or less than 5 years from the date of delivery, which shall have a market value (valued at least monthly) not less than 102% of the principal amount of such investment and shall be placed with the Trustee or other fiduciary, as custodian for the Trustee, by the bank, trust company, national banking association or bond dealer executing such repurchase agreement. The entity executing each such repurchase agreement required to be so secured shall furnish the Trustee with an undertaking satisfactory to the Trustee that the aggregate market value of all such obligations securing each such repurchase agreement (as valued at least monthly) will be an amount equal to 102% the principal amount of such repurchase agreement, and the Trustee shall be entitled to rely on each such undertaking;

(10) Any cash sweep or similar account arrangement of or available to the Trustee, the investments of which are limited to investments described in clauses (1), (2), (3) and (9) of this definition and any money market fund, the entire investments of which are limited to investments described in clauses (1), (2), (3) and (9) of this definition and which money market fund is rated, at the time or purchase, by at least one Rating Agency in the highest Rating Category;

(11) Any guaranteed investment contract, including forward delivery agreements ("FDAs") and forward purchase agreements ("FPAs"), with a financial institution or insurance company which has (or which is unconditionally guaranteed by a legal entity which has), at the date of execution thereof, an outstanding issue of unsecured, uninsured and unguaranteed debt obligations or a claims-paying ability which is rated, at the time of purchase, by two Rating Agencies in one of two highest long-term Rating Categories. Only Permitted Investments described in clause (1) and (2) of this definition and having maturities equal to or less than 30 years from their date of delivery will be considered eligible for any collateralization/delivery purposes for guaranteed investment contracts, FDAs or FPAs;

(12) Certificates, notes, warrants, bonds or other evidence of indebtedness of the State or of any political subdivision or public agency thereof which are rated, at the time of purchase, by two Rating Agencies in the highest short-term Rating Category or within one of the three highest long-term Rating Categories, but excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date;

(13) For amounts less than $250,000, interest-bearing demand or time deposits (including certificates of deposit) in a nationally or state-chartered bank, or a state or federal savings and loan association in the State, fully insured by the Federal Deposit Insurance Corporation, including the Trustee or any affiliate thereof;
(14) Investments in Constant Net Asset Value taxable money market funds or portfolios restricted to obligations with an average maturity of one year or less and which funds or portfolios are: (A) rated, at the time of purchase, by two Rating Agencies in one of the two highest Rating Categories; or (B) have or are portfolios guaranteed as to payment of principal and interest by the full faith and credit of the United States of America;

(15) Investments in the City Treasurer's pooled investment fund;

(16) Shares of beneficial interest in diversified management companies investing exclusively in securities and obligations described in clauses (1) through (13) of this definition and which companies are: (A) rated, at the time of purchase, by two Rating Agencies in the highest Rating Category; or (B) have an investment advisor registered with the Securities and Exchange Commission with not less than five years' experience investing in such securities and obligations and with assets under management in excess of five hundred million dollars ($500,000,000);

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

(18) Any other investment, with confirmation (or other action, satisfactory to the City) from each rating agency that has a current rating on the Bonds at the time of initial purchase thereof, that its rating on the Bonds will not be lowered or withdrawn as a result of such investment.

"Pledged Tax Revenues" means all taxes that were eligible for allocation to the Former Agency with respect to the Project Areas and are allocated to the Successor Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the 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 Senior Obligations, but only to the extent that such taxes are pledged to the payment of debt service on the Senior Obligations, (ii) payments required pursuant to the Prior Agreements, (iii) payments required by Pass-Through Agreements that have not been subordinated to the Bonds for purposes of the Dissolution Act, and (iv) all Statutory Pass-Through Amounts unless such payments are subordinated to payments on the 2016 Bonds or any additional Bonds or to the payments owed under any Parity Debt Instrument pursuant to Sections 33607.5(e) of the Law and 34177.5(c) of the Dissolution Act.

"Policy Costs" means amounts required to repay draws on any policy of bond insurance, Qualified Reserve Account Credit instrument including the 2016 Surety Bond and payment of expenses of any Insurer and accrued interest thereon.

"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, initially in Saint Paul, Minnesota.

“Prior Agreements” means the enforceable obligations of the Former Agency, as identified
in Exhibit E attached hereto and made a part hereof.

“Project Areas” means the redevelopment project areas described in the Redevelopment
Plans.

“Qualified Reserve Account Credit Instrument” means (i) the 2016 Surety Bond 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.

“Rating Agency” means Fitch, Moody’s, S&P or any other nationally recognized statistical
erating organization.

“Rebate Fund” is defined in Section 4.04.

“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

“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(a) and administered by the Successor
Agency.

“Redevelopment Plans” means, collectively, the Redevelopment Plans for each of the
Project Areas, as such Redevelopment Plans are identified in Exhibit A hereto and made a part
hereof.

“Redevelopment Projects” means the undertaking of the Successor Agency pursuant to the
Redevelopment Plans and the Law for the redevelopment of the Project Areas.
“Redevelopment Property Tax Trust Fund” or “RPTTF” means the fund by that name established pursuant to California Health and Safety Code Sections 34170.5(b) and 34172(c) and administered by the Auditor-Controller of the County of San Diego.

“Refunded Bonds” means, collectively, the tax allocation bonds or loans of the Former Agency identified in Exhibit C attached hereto and made a part hereof.

“Refunding Fund” means the 2016 Refunding Fund established and held by the Trustee pursuant to Section 3.04.

“Refunding Law” means Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, 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.

“Request for Last and Final ROPS Approval” means a request submitted by the Successor Agency pursuant to Section 34191.6 of the Dissolution Act for approval by the Department of Finance of a Last and Final ROPS or any amendment to an approved Last and Final ROPS.

“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 4.03(c) of this Indenture, with respect to the 2016 Bonds, and each series or multiple of Parity Debt issued pursuant to a single Supplemental Indenture for which a reserve is to be funded and as of any date of computation, the lesser of

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

(ii) Maximum Annual Debt Service with respect to such 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 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 pursuant to a Supplemental Indenture, 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.

“ROPS Period” means (a) each annual period beginning on July 1 of any calendar year and ending on June 30 of the next such calendar year, or such other period as provided in the Dissolution Act.

“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.

“Senior Indentures” means, collectively, the Indentures or other instruments providing the terms of the Senior Obligations as set forth in Exhibit B attached hereto and made a part hereof, and any similar instruments providing the terms of obligations issued to refund such bonds and loans in accordance with Section 3.07 hereof.

“Senior Obligations” means the bonds and loans listed on Exhibit B hereto, and any obligations issued to refund such bonds and loans in accordance with Section 3.07 hereof.

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

“Series 2016A Bonds” means the $145,080,000 initial aggregate principal amount the Successor Agency to the Redevelopment Agency of the City of San Diego Tax Allocation Refunding Bonds, Series 2016A.

“Series 2016A Bonds Account” means the account by that name established within the Refunding Fund.

“Series 2016B Bonds” means the $30,105,000 initial aggregate principal amount the Successor Agency to the Redevelopment Agency of the City of San Diego Tax Allocation Refunding Bonds, Series 2016B (Federally Taxable).

“Series 2016B Bonds Account” means the account by that name established within the Refunding Fund.

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

“Standard & Poor’s” or “S&P” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business or its successors and if such organization shall no longer
perform the functions of a securities rating agency, “Standard & Poor’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Successor Agency.

“State” means the State of California.

“Statutory Pass-Through Amounts” means amounts required to be paid to taxing agencies pursuant to Sections 33676, 33607.5 and 33607.7 of the Law.

“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 2016 Bonds and any Parity Debt.

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

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


“Tax Revenues” shall have the meanings assigned to such terms in the Existing Indentures.

“Term Bonds” means the Series 2016B Bonds maturing on September 1, 2029, and September 1, 2033, and (iii) that portion of any other Bonds payable from mandatory sinking account payments.

“Trustee” means U.S. Bank National Association, 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 an Authorized Signatory of the Successor Agency, or by any other officer of the Successor Agency or the City duly authorized by the Successor Agency for that purpose.


“2016 Insurer” means National Public Finance Guarantee Corporation, a stock insurance company incorporated under the laws of the State of New York, in its capacity as issuer of the 2016 Surety Bond.

“2016 Reserve Account Agreement” means that certain Financial Guaranty Agreement made as of January 28, 2016 by and between the Successor Agency and the 2016 Insurer, related to reimbursement of amounts paid by the 2016 Insurer under the 2016 Surety Bond.
“2016 Surety Bond” means the debt service reserve fund surety bond to be issued by the 2016 Insurer in satisfaction of the initial Reserve Requirement for the 2016 Bonds, in the stated amount of $16,604,102.81.

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 2016 Bonds. Two initial issues of 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 issues of Bonds shall be designated the (i) “Successor Agency to the Redevelopment Agency of the City of San Diego Tax Allocation Refunding Bonds, Series 2016A” (the “Series 2016A Bonds”) and (ii) “Successor Agency to the Redevelopment Agency of the City of San Diego Tax Allocation Refunding Bonds, Series 2016B (Federally Taxable)” (the “Series 2016B Bonds”). The Series 2016A Bonds shall be issued in the initial aggregate principal amount of $145,080,000, and the Series 2016B Bonds shall be issued in the initial aggregate principal amount of $30,105,000.

Section 2.02 Terms of 2016 Bonds. The 2016 Bonds shall be issued in fully registered form without coupons. The 2016 Bonds shall be issued in denominations of $5,000 or any integral multiple thereof, so long as no 2016 Bond shall have more than one maturity date. The 2016 Bonds shall be dated as of their Closing Date. The 2016 Bonds shall be lettered and numbered as the Trustee shall prescribe.

The 2016 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:

<table>
<thead>
<tr>
<th>Maturity Date (September 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$11,340,000</td>
<td>3.000%</td>
</tr>
<tr>
<td>2018</td>
<td>11,760,000</td>
<td>4.000</td>
</tr>
<tr>
<td>2019</td>
<td>11,775,000</td>
<td>5.000</td>
</tr>
<tr>
<td>2020</td>
<td>12,200,000</td>
<td>5.000</td>
</tr>
<tr>
<td>2021</td>
<td>13,095,000</td>
<td>5.000</td>
</tr>
<tr>
<td>2022</td>
<td>11,400,000</td>
<td>5.000</td>
</tr>
<tr>
<td>2023</td>
<td>11,875,000</td>
<td>5.000</td>
</tr>
<tr>
<td>2024</td>
<td>12,375,000</td>
<td>5.000</td>
</tr>
<tr>
<td>2025</td>
<td>12,715,000</td>
<td>5.000</td>
</tr>
</tbody>
</table>
Each 2016 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 August 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 2016 Bond, interest thereon is in default, such 2016 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 2016 Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed 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 either the Series 2016A Bonds or the Series 2016B Bonds, which written request is on file with the Trustee as of any Record Date, interest on such Series 2016A Bonds or such Series 2016B 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 2016 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 2016 Bonds.

(a) Optional Redemption. (i) The Series 2016A Bonds maturing on or prior to September 1, 2025 are not subject to optional redemption. The Series 2016A Bonds maturing on or after September 1, 2026, 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 September 1, 2025, 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.

(ii) The Series 2016B Bonds maturing on or after September 1, 2026, 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 September 1, 2025, 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.

(iii) The Series 2016B Bonds are further subject to optional redemption prior to their respective maturity dates as a whole, or in part by lot, on any date before September 1, 2025, 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, together with the Make-Whole Premium.

“Make-Whole Premium” means, with respect to any Series 2016B Bond to be redeemed, an amount provided to the Trustee by the Successor Agency which has been calculated by an Independent Banking Institution (as defined herein) to be equal to the positive difference, if any, between:

(1) The sum of the present values, calculated as of the date fixed for redemption of:

(a) Each interest payment that, but for the redemption, would have been payable on the Series 2016B Bond or portion thereof being redeemed on each regularly scheduled Interest Payment Date occurring after the date fixed for redemption through the maturity date of such Series 2016B Bond (excluding any accrued interest for the period prior to the date fixed for redemption); provided, that if the date fixed for redemption is not a regularly scheduled Interest Payment Date with respect to such Series 2016B Bond, the amount of the next regularly scheduled interest payment will be reduced by the amount of interest accrued on such Series 2016B Bond to the date fixed for redemption; plus

(b) The principal amount that, but for such redemption, would have been payable on the maturity date of the Series 2016B Bond or portion thereof being redeemed; minus
(2) The principal amount of the Series 2016B Bond or portion thereof being redeemed.

The present values of the interest and principal payments referred to in (1) above will be determined by discounting the amount of each such interest and principal payment from the date that each such payment would have been payable but for the redemption to the date fixed for redemption on a semiannual basis (assuming a 360-day year consisting of twelve (12) 30-day months) at a discount rate equal to the Comparable Treasury Yield (as defined herein), plus 25 basis points.

“Comparable Treasury Yield” means the yield which represents the weekly average yield to maturity for the preceding week appearing in the most recently published statistical release designated “H.15(519) Selected Interest Rates” under the heading “Treasury Constant Maturities,” or any successor publication selected by the Independent Banking Institution that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity, for the maturity corresponding to the remaining term to maturity of the Series 2016B Bond being redeemed. The Comparable Treasury Yield will be determined as of the third Business Day immediately preceding the applicable date fixed for redemption. If the H.15(519) statistical release sets forth a weekly average yield for United States Treasury securities that have a constant maturity that is the same as the remaining term to maturity of the Series 2016B Bond being redeemed, then the Comparable Treasury Yield will be equal to such weekly average yield. In all other cases, the Comparable Treasury Yield will be calculated by interpolation on a straight-line basis, between the weekly average yields on the United States Treasury securities that have a constant maturity (i) closest to and greater than the remaining term to maturity of the Series 2016B Bond being redeemed; and (ii) closest to and less than the remaining term to maturity of the Series 2016B Bond being redeemed. Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward.

If, and only if, weekly average yields for United States Treasury securities for the preceding week are not available in the H.15(519) statistical release or any successor publication, then the Comparable Treasury Yield will be the rate of interest per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price (each as defined herein) as of the date fixed for redemption.

“Comparable Treasury Issue” means the United States Treasury security selected by the Independent Banking Institution as having a maturity comparable to the remaining term to maturity of the Series 2016B Bond being redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term to maturity of the Series 2016B Bond being redeemed.

“Independent Banking Institution” means an investment banking institution of national standing which is a primary United States government securities dealer in the City of New York designated by the Successor Agency (which may be one of the underwriters of the 2016 Bonds). If the Successor Agency fails to appoint an Independent Banking Institution at least 45 days prior to the date fixed for redemption, or if the Independent Banking Institution appointed by the Successor Agency is unwilling or unable to determine the Comparable Treasury Yield, the
Comparable Treasury Yield will be determined by an Independent Banking Institution designated by the Successor Agency.

“Comparable Treasury Price” means, with respect to any date on which an Series 2016B Bond or portion thereof is being redeemed, either (a) the average of five Reference Treasury Dealer quotations for the date fixed for redemption, after excluding the highest and lowest such quotations, and (b) if the Independent Banking Institution is unable to obtain five such quotations, the average of the quotations that are obtained. The quotations will be the average, as determined by the Independent Banking Institution, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of principal amount) quoted in writing to the Independent Banking Institution, at 5:00 p.m. New York City time on the third Business Day preceding the date fixed for redemption.

“Reference Treasury Dealer” means a primary United States Government securities dealer in the United States appointed by the Successor Agency and reasonably acceptable to the Independent Banking Institution (which may be one of the underwriters of the 2016 Bonds). If the Successor Agency fails to select the Reference Treasury Dealers within a reasonable period of time, the Successor Agency will select the Reference Treasury Dealers.

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem 2016 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. The Successor Agency shall provide the Trustee with notice of the Make-Whole Premium calculation upon its calculation by the Independent Banking Institution.

(b) Mandatory Sinking Fund Redemption. The Series 2016B Bonds that are Term Bonds maturing September 1, 2029 and September 1, 2033 shall also be subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, commencing September 1, 2027 and September 1, 2030, 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 September 1 in the respective years as set forth in the following tables; provided however, that (y) in lieu of redemption thereof such Series 2016B 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 2016B 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 2016B 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 2016B Term Bonds of 2029

<table>
<thead>
<tr>
<th>September 1</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2027</td>
<td>$785,000</td>
</tr>
<tr>
<td>2028</td>
<td>535,000</td>
</tr>
<tr>
<td>2029</td>
<td>555,000</td>
</tr>
</tbody>
</table>

Series 2016B Term Bonds of 2033

<table>
<thead>
<tr>
<th>September 1</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2030</td>
<td>$290,000</td>
</tr>
<tr>
<td>2031</td>
<td>300,000</td>
</tr>
<tr>
<td>2032</td>
<td>315,000</td>
</tr>
<tr>
<td>2033</td>
<td>325,000</td>
</tr>
</tbody>
</table>

(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 twenty (20) but not more than sixty (60) days prior to the redemption date, (i) to any Bond 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 (provided that if the redemption price includes Make-Whole Premium, the notice shall state that the redemption price includes a Make-Whole Premium to be calculated prior to redemption of the Bonds), 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.

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 2016 Bonds.** The Series 2016A 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 F, 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. The Series 2016B 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 G, 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 its Authorized Signatory, or any other officer of the Successor Agency or the City duly authorized by the Successor Agency for that purpose, and the signature of the City Clerk of the City, 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 collect from the Owner any tax or other governmental charge on the transfer of any Bonds pursuant to this Section 2.06. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Successor Agency.

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

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

The Trustee may refuse to 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 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 additional 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 Series 2016A Bonds in the aggregate principal amount of $145,080,000 and the Series 2016B Bonds in the aggregate principal amount of $30,105,000, and the Trustee shall authenticate and deliver the Series 2016A Bonds and the Series 2016B 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 Series 2016A Bonds, the net proceeds of sale of the Series 2016A Bonds, being $171,867,408.37 (calculated as the par amount thereof, plus net original issue premium in the amount of $27,442,096.70, less the discount of the original purchaser thereof in the amount of $448,427.25, less the portion of the premium for the 2016 Surety Bond allocable to the Series 2016A Bonds in the amount of $206,261.08 paid directly to the 2016 Insurer), shall be paid to the Trustee and applied as follows:

(i) The Trustee shall deposit the amount of $670,625.14 in the Costs of Issuance Fund.

(ii) [Reserved]

(iii) The Trustee shall deposit $171,196,783.23, being the remaining amount of proceeds of the Series 2016A Bonds, in the Series 2016A Bonds Account of the Refunding Fund.

(b) On the Closing Date with respect to the Series 2016B Bonds, the net proceeds of sale of the Series 2016B Bonds, being $29,859,231.70 (calculated as the par amount thereof, less net original issue discount in the amount of $109,916.35, less the discount of the original purchaser thereof in the amount of $93,051.49, and less the portion of the premium for the 2016 Surety Bond allocable to the Series 2016B Bonds in the amount of $42,800.46 paid directly to the 2016 Insurer), shall be paid to the Trustee and applied as follows:
(i) The Trustee shall deposit the amount of $139,158.86 in the Costs of Issuance Fund.

(ii) [Reserved]

(iii) The Trustee shall deposit $29,720,072.84, being the remaining amount of proceeds of the Series 2016B Bonds, in the Series 2016B Bonds Account of the Refunding Fund.

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 2016 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 2016 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, with 83% of such amount used to pay debt service on the Series 2016A Bonds, and 17% of such amount used to pay debt service on the Series 2016B Bonds, and the Costs of Issuance Fund shall be closed.

Section 3.04 Refunding Fund.

(a) There shall be established a separate and segregated fund to be known as the “2016 Refunding Fund” (the “Refunding Fund”), together with a “Series 2016A Bonds Account” and a “Series 2016B Bonds Account” therein.

(b) On the Closing Date with respect to the 2016 Bonds, the Trustee shall disburse the $171,196,783.23 on deposit in the Series 2016A Bonds Account as follows:

(i) $9,810,928.01 shall be transferred to the Escrow Agent for the Escrow Agreement – Centre City 2000B Bonds.

(ii) $34,874,299.91 shall be transferred to the Escrow Agent for the Escrow Agreement – Centre City 2001A Bonds.

(iii) $4,910,797.72 shall be transferred to the Escrow Agent for the Escrow Agreement – Horton Plaza 2000 Bonds.

(iv) $247,817.37 shall be transferred to the Escrow Agent for the Escrow Agreement – Mount Hope 1995A Bonds.

(v) $3,037,798.83 shall be transferred to the Escrow Agent for the Escrow Agreement – Mount Hope 2002A Bonds.

(vi) $2,432,134.08 shall be transferred to the Escrow Agent for the Escrow Agreement – Centre City 2000A Bonds.
(vii) $8,733,830.93 shall be transferred to the Escrow Agent for the
Escrow Agreement – Centre City 1999A Bonds.

(viii) $5,397,327.77 shall be transferred to the Escrow Agent for the
Escrow Agreement – Centre City 1999C Bonds.

(ix) $3,193,087.32 shall be transferred to the Escrow Agent for the
Escrow Agreement – City Heights 1999A Bonds.

(x) $13,981,756.67 shall be transferred to the Escrow Agent for the
Escrow Agreement – City Heights 1999B Bonds.

(xi) $9,808,683.67 shall be transferred to the Escrow Agent for the
Escrow Agreement – Centre City 2003A Bonds.

(xii) $52,119,453.27 shall be transferred to the Escrow Agent for the
Escrow Agreement – Centre City 2004A Bonds.

(xiii) $4,658,490.58 shall be transferred to the Escrow Agent for the

(xiv) $1,921,023.92 shall be transferred to the Escrow Agent for the

(xv) $7,314,435.68 shall be transferred to the Escrow Agent for the
Escrow Agreement – North Bay 2000 Bonds.

(xvi) $3,947,957.50 shall be transferred to the Escrow Agent for the
Escrow Agreement – North Park 2000 Bonds.

(xvii) $4,806,960.00 shall be transferred to the Escrow Agent for the
Escrow Agreement – North Park 2003A (Taxable) and 2003B Bonds.

Upon making such transfers, the Trustee shall close the Series 2016A Bonds
Account.

(c) On the Closing Date with respect to the 2016 Bonds, the Trustee shall
disburse the $29,720,072.84 on deposit in the Series 2016B Bonds Account as follows:

(i) $4,109,975.59 shall be transferred to the Escrow Agent for the
Escrow Agreement – City Heights 2003A (Taxable).

(ii) $19,764,529.11 shall be transferred to the Escrow Agent for the
Escrow Agreement – Centre City 2004C (Taxable) and 2004D (Taxable) Bonds.

(iii) $2,285,569.11 shall be transferred to the Escrow Agent for the
Escrow Agreement – Horton Plaza 2003C (Taxable) Bonds.

(iv) $3,559,999.03 shall be transferred to the Escrow Agent for the
Escrow Agreement – North Park 2003A (Taxable) and 2003B Bonds.
Upon making such transfers, the Trustee shall close the Series 2016B Bonds Account, and upon closing the Series 2016A Bonds Account and the 2016B Bonds Account, the Trustee shall close the Refunding Fund.

**Section 3.05 Issuance of Parity Debt.** In addition to the 2016 Bonds, the Successor Agency may issue additional bonds or incur other loans, advances or indebtedness payable from Pledged Tax Revenues on a parity with the 2016 Bonds to refund any of the Senior Obligations 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 Parity Debt shall have been issued in accordance with the requirements of Section 34177.5 of the Dissolution Act, (or any comparable provision of any successor statute);

(c) A Supplemental Indenture shall have been adopted which shall (i) if the obligation being refunded had a reserve fund, determine the applicable reserve requirement and the amount, if any, to be deposited from the proceeds of sale of such Parity Debt in a separate account of the Reserve Account to be held as separate security for such Series or Series of Parity Debt; (ii) designate accounts in the Debt Service Fund and accounts therein including the Reserve Account to be applicable to such Parity Bonds; and (iii) such other provisions that are appropriate or necessary and are not inconsistent with the provisions hereof; 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 Issuance of Senior Obligations to Refund Senior Obligations.** The Successor Agency may issue bonds secured by Pledged Tax Revenues or any part thereof, on a senior basis to the Bonds and Parity Debt to refund Senior Obligations, so long as the Successor Agency satisfies the requirements of Section 34177.5(a)(1) of the Dissolution Act.

**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 5.13 and Section 6.06, the 2016 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 2016 Bonds and any Parity Debt 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); provided, amounts held in the Reserve Account (or subaccounts therein) shall secure only the issue to which such account or subaccount relates to the extent specifically provided for in this Indenture and any Supplemental Indenture, as applicable, 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, 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 “Special Fund” which is to be held by the Successor Agency within the Redevelopment Obligation Retirement Fund. The Special Fund 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 ROPS 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. If Parity Debt is issued, the Trustee shall establish subaccounts within each fund for each issue of Parity Debt, including a separate subaccount of the Reserve Account as security for Parity Debt pursuant to a Supplemental Indenture to the extent provided under Section 3.05 hereof, if applicable. 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 account 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 and each interest payment date for any Parity Debt, commencing with the Interest Payment Date of September 1, 2016, the Successor Agency shall withdraw from the Special Fund and transfer to the Trustee, for deposit in the Interest Account (and applicable subaccounts therein) 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 (or other principal payment date for any Parity Debt) beginning September 1, 2016, the Successor Agency shall withdraw from the Special Fund and transfer to the Trustee for deposit in the Principal Account (and applicable subaccounts therein) 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 September 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 September 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 of 2016 Bonds payable by the Successor Agency pursuant to this Section 4.03 which shall in each case be held by the Trustee in trust for the benefit of the Owners of the 2016 Bonds, provided separate subaccounts may be established in the Reserve Account as separate security for any future issue of Parity Debt. The Reserve Requirement for the 2016 Bonds will be satisfied by the delivery of the 2016 Surety Bond by the 2016 Insurer on the Closing Date with respect to the 2016 Bonds. The Successor Agency will have no obligation to replace the 2016 Surety Bond or to fund the Reserve Account with cash if, at any time that the 2016 Bonds are Outstanding, amounts are not available under the 2016 Surety Bond other than in connection with a draw on the 2016 Surety Bond.

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 (or the applicable subaccount) at any time becomes less than the Reserve Requirement applicable thereto, 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 applicable Reserve Account.

DOCSOC/1711269v18/200422-0001
The amounts available under the 2016 Surety Bond shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts with respect to the payment of debt service on the 2016 Bonds.

Moneys, if any, on deposit in the Reserve Account (or the applicable account therein) shall be withdrawn and applied by the Trustee for the final payment or payments of principal of and interest on the 2016 Bonds (or the applicable account therein, respectively). The Trustee shall compute the Reserve Requirement annually on or before October 1.

So long as no event of default hereunder shall have occurred and be continuing, any amount in the Reserve Account (or the applicable account therein) in excess of the applicable Reserve Requirement (or applicable reserve requirement) on February 20 and August 20 of each year shall be withdrawn from the Reserve Account (or the applicable subaccount therein) by the Trustee and such amount shall be deposited in the Interest Account (or applicable subaccounts).

In no event shall amounts in the Reserve Account (exclusive of subaccounts therein, which shall be applied in accordance with the terms of the Supplemental Indenture providing for Parity Debt) be applied to payment of any Bonds or Parity Debt other than 2016 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 March 1 and September 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.


The Reserve Account shall 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 2016 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.

(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 Series 2016A Bonds, the Series 2016B 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 Series 2016A Bonds, the Series 2016B 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 Series 2016A Bonds, the Series 2016B 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 Series 2016A Bonds, the Series 2016B 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 Series 2016A Bonds, the Series 2016B 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 Series 2016A Bonds, the Series 2016B Bonds or such other Bonds, which is payable from the Interest Account) as shall be directed by the Successor Agency.

(e) In the event of a shortfall in Pledged Tax Revenues available to fund deposits required under (a), (b) or (c) above to pay debt service or Reserve Account replenishment on the 2016 Bonds and any Parity Debt in any calendar year period, deposits shall be made to subaccounts within each account pro rata to preserve parity treatment of the Parity Debt and 2016 Bonds.
Section 4.04 Rebate Fund. The Trustee shall establish a separate fund for the Series 2016A Bonds designated the “Rebate Fund.” Absent an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the Series 2016A Bonds will not be adversely affected, the Successor Agency shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to this Section and the Tax Certificate. 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 for the Series 2016A Bonds shall be governed by this Section and the Tax Certificate, unless the Successor Agency obtains and delivers to the Trustee an opinion of Bond Counsel that the exclusion from gross income of interest on the Series 2016A Bonds will not be adversely affected for federal income tax purposes if such requirements are not satisfied. Notwithstanding anything to the contrary contained herein or in the Tax Certificate, the Trustee shall be deemed conclusively to have complied with the provisions of this Section and the Tax Certificate if the Trustee follows the directions of the Successor Agency, and the Trustee shall have no independent responsibility to or liability resulting from failure of the Trustee to enforce compliance by the Successor Agency with the Tax Certificate or the provisions of this Section.

(a) Excess Investment Earnings.

(i) Computation. Within 55 days of the end of each fifth Bond Year with respect to the Series 2016A 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 Bond 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 Bond Year with respect to the Series 2016A Bonds, upon the Finance Director’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 Director, 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 Bond Year with respect to the Series 2016A Bonds, and (B) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year; and
(Y) Not later than 60 days after the payment of all the Series 2016A Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable 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 Section 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 Series 2016A 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 Series 2016A 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.

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 Senior Obligations or the 2016 Bonds or any Parity Debt, but only if the requirements of Section 3.05, 3.06 or 3.07 are met, as applicable, and 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 City, in which complete and correct entries shall be made of all transactions relating to the Redevelopment 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 2016 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 two hundred and seventy (270) 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. The Successor Agency shall promptly furnish a hard or electronic copy of such financial statements to the Trustee, the 2016 Insurer and any other Insurer at no expense and to any Owner upon reasonable request and at the expense of such Owner; posting such financial statements on the City’s website shall be sufficient. 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 2016 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 2016 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 2016 Bonds, the 2016 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 Projects, 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 Projects 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 2016 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 Plans 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 Series 2016A 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 Series 2016A 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 Series 2016A Bonds and 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 Series 2016A Bonds or Parity Bonds or of
any other monies or property which would cause the Series 2016A 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
Series 2016A 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 Series 2016A Bonds or Parity Bonds or take or omit to take any action that would cause the
Series 2016A Bonds or the 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
Series 2016A 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 Series 2016A Bonds
or the 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 Series 2016A Bonds and 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 Series 2016A 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, the
Trustee at the request of any Participating Underwriter (as defined in the Continuing Disclosure
Certificate) or the holders of at least 25% aggregate principal amount of Outstanding Bonds, shall,
but only to the extent the Trustee has been indemnified from and against any loss, liability, cost or
expense, including, without limitation, fees and expenses of its attorneys and advisors and additional
fees and expenses of the Trustee, 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, the Successor Agency shall take all actions required under the Dissolution Act to include

(i) scheduled debt service on the Senior Obligations and any amounts required to replenish any of the reserve accounts established with respect to Senior Obligations,

(ii) scheduled payments due under the Prior Agreements and Pass-Through Agreements, if any, which have not been subordinated to the Bonds, if any;

(iii) scheduled debt service on the 2016 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

(iv) amounts due to the 2016 Insurer hereunder or under the 2016 Reserve Account Agreement, or to any insurer under an insurance or surety bond agreement relating to the Senior Obligations or any Parity Debt,

in Recognized Obligation Payment Schedules for each ROPS Period so as to enable the Auditor-Controller of the County of San Diego 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 ROPS Period and to pay amounts owed to any Insurer, as well as the other amounts set forth above.

In order to ensure that amounts are available for the Trustee to pay debt service on all Outstanding Bonds and all amounts due and owing to the 2016 Insurer hereunder or under the 2016 Reserve Account Agreement or to any other insurer of the Senior Obligations or any Parity Debt on a timely basis, on or before each February 1 following the Closing Date (or at such earlier time as may be required by the Dissolution Act), for so long as any Bonds are outstanding, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the San Diego County Auditor-Controller that shall include (after making provision for payments with respect to all Senior Obligations in accordance with the Successor Agency’s obligations under the indentures or agreements providing for such payments), from the first available Pledged Tax Revenues, (i) all debt service coming due on all Outstanding Bonds during the applicable ROPS Period and during the Bond Year commencing in such ROPS Period, (which amounts shall be treated as a reserve for debt service to the extent such amount is funded on June 1 (for the first semiannual period) or January 2 (for the second semiannual period) and relates to debt service coming due on the Bonds after such respective semiannual period), as well as all amounts due and owing to the 2016 Insurer hereunder or under the 2016 Reserve Account Agreement or to any other 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 as well as all amounts due and owing to the 2016 Insurer hereunder or under the 2016 Reserve Account Agreement).

In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2016 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

DOCSOC/1711269v18/200422-0001
Bonds and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the Successor Agency shall deposit the first Pledged Tax Revenues distributed to the Successor Agency in each Bond Year, up to the full amount of annual debt service coming due in such Bond Year and the next Bond Year, in the Special Fund.

Section 5.14 Last and Final Recognized Obligation Payment Schedule. The Successor Agency shall provide the Trustee and each Insurer of Outstanding 2016 Bonds or Parity Debt with copies of (a) any Request for Last and Final ROPS Approval submitted by the Successor Agency and (b) any and all correspondence received from the Department of Finance regarding a Request for Last and Final ROPS Approval, upon receipt thereof. In the event that the Successor Agency and the Department of Finance schedule a meeting or telephone conference to discuss a written denial by the Department of Finance of a Request for Last and Final ROPS Approval, the Successor Agency shall timely notify the Trustee and each Insurer of Outstanding 2016 Bonds or Parity Debt of such meeting or telephone conference. The Trustee shall, and, if the subject of the meet and confer could impact the payment of or security for Insured Bonds or Policy Costs, each potentially affected Insurer shall, have the right to participate in the meeting or telephone conference either by appearance with the Successor Agency or through written submission as determined by the Trustee and such Insurer. In the event the Successor Agency receives a denial of a Request for Last and Final ROPS Approval and such denial could delay the receipt of tax revenues necessary to pay debt service, Policy Costs, or other amounts owing to an Insurer, the Successor Agency agrees to cooperate in good faith with the Insurer and the Insurer shall receive prompt notice of any such event and shall be permitted to attend any meetings with the Successor Agency and the Department of Finance relating to such event and to discuss such matters with the Department of Finance directly.

Section 5.15 Further Assurances. The Successor Agency will adopt, make, execute and deliver any and all such further ordinances, 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 Bond 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 Bond Insurer, and the Trustee, with the consent
of any Bond 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 bank or trust company into which the Trustee may be merged or converted or with which may be consolidated or any bank or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or trust 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 hereunder. 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 Bond Insurer, the Trustee may require that a satisfactory indemnity bond be furnished by the Owners or any Bond 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.

Section 6.04 Right to Rely on Documents and Opinions. The Trustee shall have no liability in acting upon any notice, ordinance, 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 Bond 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 and also all reasonable expenses and disbursements (including fees and expenses of counsel), incurred in and about the performance of its powers and duties under this Indenture, in accordance with the fee schedule attached hereto as Exhibit H, as Exhibit H may be amended from time to time by written agreement of the Successor Agency and the Trustee. 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 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. 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 (10) of the definition thereof, which by their terms mature prior to the date on which such moneys are required to be paid out hereunder. 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 as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Successor Agency monthly cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

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

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

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 Bond Insurer (but only with respect to any Bonds insured by such Bond 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 Bond 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 whose consent to such amendment or modification was required, 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 to the extent such consent is otherwise required under this Indenture.

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. The Successor Agency shall provide to S&P, for so long as S&P maintains 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 Bond Insurer or written notice from any Owner (with a copy of said notice delivered to the Trustee and any Bond 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 Bond 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 Bond 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 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, (y) 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 (z) 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 Bond Insurer and to the
Successor Agency by telephone promptly confirmed in writing. Such notice shall also state whether the principal of the Bonds shall have been declared to be or have immediately become due and payable. With respect to any Event of Default described in 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 Bond 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 Bond 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 provider of any Qualified Reserve Account Credit Instrument, 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

DOCSOC/1711269v18/200422-0001
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 City (but excluding Bonds held in any employees’ retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination.

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 upon request of the Successor Agency provide the Successor Agency a certificate of destruction. The Successor Agency shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to.

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

If to the Successor Agency: Successor Agency to the Redevelopment Agency of the City of San Diego
202 C Street, 7th Floor, MS#7B
San Diego, CA 92101
Attention: Debt Management Department

If to the Trustee: U.S. Bank National Association
633 W. Fifth Street, 24th floor
Los Angeles, CA 90071
Attention: Global Corporate Trust Services

If to the 2016 Insurer: National Public Finance Guarantee Corporation
1 Manhattanville Road, Suite 301
Purchase, New York 10577
Attention: Public Surveillance Group

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 Chief Financial Officer of the City of San Diego, acting on behalf of the Successor Agency, in trust for the benefit of the Owners. The Successor Agency covenants for the direct benefit of the Owners that the Chief Financial Officer of the City of San Diego, acting on behalf of the Successor Agency, 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]
IN WITNESS WHEREOF, the CITY OF SAN DIEGO, SOLELY IN ITS CAPACITY AS THE DESIGNATED SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, a former public body, corporate and politic, has caused this Indenture to be signed in its name by the Chief Financial Officer of the City of San Diego, and U.S. BANK NATIONAL ASSOCIATION, 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.

CITY OF SAN DIEGO, SOLELY IN ITS CAPACITY AS THE DESIGNATED SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, a FORMER PUBLIC BODY, CORPORATE AND POLITIC

By: ____________________________
   Chief Financial Officer of the City of San Diego

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: ________________________________
   Authorized Officer
IN WITNESS WHEREOF, the CITY OF SAN DIEGO, SOLELY IN ITS CAPACITY AS THE DESIGNATED SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, a former public body, corporate and politic, has caused this Indenture to be signed in its name by the Chief Financial Officer of the City of San Diego, and U.S. BANK NATIONAL ASSOCIATION, 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.

CITY OF SAN DIEGO, SOLELY IN ITS CAPACITY AS THE DESIGNATED SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, A FORMER PUBLIC BODY, CORPORATE AND POLITIC

By:  
Chief Financial Officer of the City of San Diego

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By:  
Authorized Officer
EXHIBIT A

PROJECT AREAS

Barrio Logan Project

The Redevelopment Plan for the Barrio Logan Project ("Barrio Logan Plan") was adopted on May 20, 1991 by Ordinance No. O-17644. The Barrio Logan Plan was subsequently amended as follows:

- By Ordinance No. O-18117 on November 28, 1994, to extend the time to receive tax increment and repay debt as permitted by Section 33333.6 of the Law, enacted by AB 1290.


- By Ordinance No. O-19509 on July 18, 2006, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one year each pursuant to SB 1045.

- By Ordinance No. O-19629 on June 27, 2007, to describe the Successor Agency’s program for the exercise of eminent domain powers within the Barrio Logan Project.

- By Ordinance No. O-19651 on August 1, 2007, to amend certain land uses permitted by the Barrio Logan Plan.

Centre City Project

The Centre City Project is the result of the merger of the Columbia Project, the Marina Project, the Gaslamp Project and the addition of territory, referred to as the Centre City Added Area, accomplished by the City Council’s adoption of Ordinance No. O-17767 on May 11, 1992, which merged the Columbia Project, the Gaslamp Project and the Marina Project and added approximately 1,000 acres of additional property in the downtown area of the City, referred to herein as the “Centre City Added Area” into the Centre City Project and adopted the Redevelopment Plan for the Centre City Redevelopment Project (the “Centre City Plan”). The ordinances adopting and amending each of the Columbia Plan, the Marina Plan and the Gaslamp Plan are listed below.

Columbia Project. The Redevelopment Plan for the Columbia Project ("Columbia Plan") was adopted on December 29, 1976 by Ordinance No. 11976. The Columbia Plan was subsequently amended as follows:

- By Ordinance No. O-15306 on August 4, 1980, to amend provisions of the Columbia Plan relating to the acquisition of property by the Former Agency, to increase the limit on the number of dollars of taxes that could be allocated to the Former Agency under the Columbia Plan and to increase the total amount of bonded indebtedness that may be outstanding at one time.


• By Ordinance No. O-17168 on October 24, 1988, to extend the Former Agency’s eminent domain authority.

• By Ordinance No. O-17268 on March 20, 1989, to amend certain land use restrictions set forth in the Columbia Plan.

**Marina Project.** The Redevelopment Plan for the Marina Project ("Marina Plan") was adopted on December 29, 1976 by Ordinance No. 11977. The Marina Plan was subsequently amended as follows:

• By Ordinance No. O-15307 on August 4, 1980, to increase the limit on the number of dollars of taxes that could be allocated to the Former Agency under the Marina Plan and to increase the total amount of bonded indebtedness that may be outstanding at one time.

• By Ordinance No. O-16508 on September 23, 1985, to amend certain land use restrictions set forth in the Marina Plan.


• By Ordinance No. O-17124 on August 1, 1988, to accommodate certain Marina Urban Design Plan adopted by the City Council for the Marina Project.

**Gaslamp Project.** The Redevelopment Plan for the Gaslamp Project ("Gaslamp Plan") was adopted on July 26, 1982 by Ordinance No. O-15781. The Gaslamp Plan was subsequently amended as follows:

• By Ordinance No. O-16360 on January 22, 1985, to increase the limit on the number of dollars of taxes that could be allocated to the Former Agency under the Marina Plan and to increase the total amount of bonded indebtedness that may be outstanding at one time.

• By Ordinance No. O-16508 on September 23, 1985, to extend the Former Agency’s eminent domain authority.

After the merger of the Columbia Project, the Marina Project and the Gaslamp Project, the Centre City Plan was amended as follows:

• By Ordinance No. O-18119 on November 28, 1994, to amend the time limits for incurring debt, plan effectiveness, receipt of tax increment revenues and repayment of debt with respect to each of the Component Areas that make up the Centre City Plan.


• By Ordinance No. O-18708 on November 8, 1999, to amend certain land use restrictions set forth in the Centre City Plan related to development of the baseball stadium.

• By Ordinance No. O-18710 on November 8, 1999, to amend certain land use restrictions set forth in the Centre City Plan related to development of a hotel.
• By Ordinance No. O-18720 on November 22, 1999, to extend the time limit on effectiveness, receipt of tax increment revenue and repayment of debt within the Centre City Added Area as permitted by Section 33333.6 of the Law, enacted by AB 1290.

• By Ordinance No. O-18843 on September 12, 2000, to amend certain land use restrictions set forth in the Centre City Plan related to a mixed-use residential, office and television studio development.

• By Ordinance No. O-19132 on December 9, 2002, to eliminate the time limit on the incurrence of debt for the Centre City Project, as permitted by SB 211.

• By Ordinance No. O-19270 on April 14, 2004, to extend the Former Agency’s eminent domain authority.

• By Ordinance No. O-19479 on April 7, 2006, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one year each pursuant to SB 1045.

• By Ordinance No. O-19631 on June 27, 2007, to describe the Successor Agency’s program for exercise of eminent domain powers within the Centre City Redevelopment Project Area.

• By Ordinance No. O-19663 on September 17, 2007, to amend land use restrictions in the Centre City Plan to conform to the City’s Downtown Community Plan.

**The City Heights Project**

The Redevelopment Plan for the City Heights Project ("City Heights Plan") was adopted on May 11, 1992 by Ordinance No. O-17768. The City Heights Plan was subsequently amended as follows:

• By Ordinance No. O-18120 on November 28, 1994, to amend the time to incur indebtedness, the duration of the provisions of the City Heights Plan, and the time to receive tax increment to conform to limitations established by AB 1290, and to make technical changes to the language regarding pledging of revenues.

• By Ordinance No. O-18294 on April 16, 1995, to modify the limit on receive tax increment to $713 million, to modify the limit on bonded indebtedness to $160 million, and to modify certain provisions in the City Heights Plan regarding the acquisition of property.

• By Ordinance No. O-18294 on April 16, 1996, to delete certain territory, remove eminent domain restrictions as to specified properties, change land use categories as to certain parcels, and modify the limitation on bonded indebtedness.

• By Ordinance No. O-18881 on November 14, 2000, to change provisions regarding eminent domain and to change the land use map.

• By Ordinance No. O-19510 on July 18, 2006, to extend by one year each the duration of the City Heights Plan and the time to receive tax increment pursuant to the authorization of SB 1045.

**The College Community Project**

The Redevelopment Plan for the College Community Project ("College Community Plan") was adopted on November 30, 1993 by Ordinance No. O-18018. The College Community Plan was subsequently amended as follows:
• By Ordinance No. O-18121 on November 28, 1994, to modify the time to incur indebtedness, the duration of the College Community Plan, and the time to receive tax increment based upon AB 1290.

• By Ordinance No. O-18722 on November 22, 1999 to modify the duration of the College Community Plan and the time to receive tax increment.

• By Ordinance No. O-19503 on June 7, 2005 to modify the duration of the College Community Plan, to modify the tax increment limit to $307 million, to restate the limit on bonded indebtedness, to restate the time to receive tax increment, and to extend provisions regarding eminent domain.

• By Ordinance No. O-19511 on July 18, 2006 to extend by one year each of the duration of the College Community Plan and the time to receive tax increment pursuant to SB 1045.

• By Ordinance No. O-19633 on June 27, 2007, to describe the Successor Agency’s program for exercise of eminent domain powers within the College Community Redevelopment Project Area.

The College Grove Project

The Redevelopment Plan for the College Grove Project ("College Grove Plan") was adopted on May 19, 1986 by Ordinance No. O-16647. The College Grove Plan was subsequently amended as follows:

• By Ordinance No. O-18122 on November 28, 1994, to amend the time to incur indebtedness, the duration of the College Grove Plan, and the time to receive tax increment to conform to AB 1290.

• By Ordinance No. O-19512 on July 18, 2006, to extend by one year each of the duration of the College Grove Plan and the time to receive tax increment pursuant to SB 1045.

• By Ordinance No. O-19634 on June 27, 2007, to describe the Successor Agency’s program for exercise of eminent domain powers within the College Grove Redevelopment Project Area.

The Crossroads Project

The Redevelopment Plan for the Crossroads Project ("Crossroads Plan") was adopted on May 6, 2003 by Ordinance No. O-19174. The Crossroads Plan was subsequently amended by Ordinance No. O-19635 on June 27, 2007, to describe the Successor Agency’s program for exercise of eminent domain powers within the Crossroads Redevelopment Project Area.

The Grantville Project

The Redevelopment Plan for the Grantville Project ("Grantville Plan") was adopted on May 17, 2005 by Ordinance No. O-19380. The Grantville Plan was subsequently amended by Ordinance No. O-19637 on June 27, 2007, to describe the Successor Agency’s program for exercise of eminent domain powers within the College Grove Redevelopment Project Area.

The Horton Plaza Project

The Redevelopment Plan for the Horton Plaza Project ("Horton Plaza Plan") was adopted on July 25, 1972 by Ordinance No. O-10882. The Horton Plaza Plan was subsequently amended as follows:
• By Ordinance No. O-16775 on December 8, 1986, to establish a time limit for incurring indebtedness and a limit on the tax increment that could be received as to the Horton Plaza Project.

• By Ordinance No. O-18124 on November 28, 1994, to modify the time limit on receiving tax increment and to establish a time limit to incur indebtedness.

• By Ordinance No. O-18723 on November 22, 1999, to modify the duration of the Horton Plaza Plan and the time to receive tax increment.

• By Ordinance No. O-19478 on April 7, 2006, to modify the duration of the Horton Plaza Plan and the time to receive tax increment.

• By Ordinance No. O-19638 on June 27, 2007 to describe the Successor Agency’s program for exercise of eminent domain powers within the Horton Plaza Redevelopment Project Area.

The Linda Vista Project

The Redevelopment Plan for the Linda Vista Project ("Linda Vista Plan") was adopted on November 21, 1972 by Ordinance No. O-10954. The Linda Vista Plan was subsequently amended as follows:

• By Ordinance No. O-11850 on June 2, 1976, to modify certain land use provisions.

• By Ordinance No. O-16777 on December 8, 1987, to modify the time to incur indebtedness and to establish a bonded indebtedness limit of $13,225,000.

• By Ordinance No. O-18125 on November 28, 1994, to amend the time limit on incurring indebtedness and the time to receive increment.

• By Ordinance No. O-19639 on June 27, 2007 to describe the Successor Agency’s program for exercise of eminent domain powers within the Linda Vista Redevelopment Project Area.

The NTC Project

The Redevelopment Plan for the NTC Project ("NTC Plan") was adopted on May 13, 1997 by Ordinance No. O-18405. The NTC Plan was subsequently amended as follows:

• By Ordinance No. O-19513 on July 18, 2006, to amend each of the duration of the NTC Plan and the time to receive tax increment.

• By Ordinance No. O-19643 on June 27, 2007 to describe the Successor Agency’s program for exercise of eminent domain powers within the NTC Redevelopment Project Area.

The North Bay Project

The Redevelopment Plan for the North Bay Project ("North Bay Plan") was adopted on May 18, 1998 by Ordinance No. O-18516. The North Bay Plan was subsequently amended as follows:

• By Ordinance No. O-19514 on July 18, 2006, to amend each of the duration of the North Bay Plan and the time to receive tax increment based upon SB 1045.
• By Ordinance No. O-19641 on June 27, 2007, to describe the Successor Agency’s program for exercise of eminent domain powers within the North Bay Redevelopment Project Area.

The North Park Project

The Redevelopment Plan for the North Park Project (“North Park Plan”) was adopted on March 4, 1997 by Ordinance No. O-18386. The North Park Plan was subsequently amended as follows:

• By Ordinance No. O-19515 on July 18, 2006, to amend each of the duration of the North Park Plan and the time to receive tax increment.

• By Ordinance No. O-19642 on June 27, 2007 to describe the Successor Agency’s program for exercise of eminent domain powers within the North Park Redevelopment Project Area.

The San Ysidro Project

The Redevelopment Plan for the San Ysidro Project (“San Ysidro Plan”) was adopted on April 16, 1996 by Ordinance No. O-18295. The San Ysidro Plan was subsequently amended as follows:

• By Ordinance No. O-19516 on July 18, 2006, to extend by one year each of the duration of the San Ysidro Plan and the time to receive tax increment pursuant to SB 1045.

• By Ordinance No. O-19645 on June 27, 2007 to describe the Successor Agency’s program for exercise of eminent domain powers within the San Ysidro Redevelopment Project Area.

Southeastern Project

The Southeastern Project is the result of the merger of the Central Imperial Project, the Gateway Center West Project, the Mount Hope Project and the Southcrest Project, accomplished by the City Council’s adoption of Ordinance No. O-20025 on February 28, 2011. Ordinance No. O-20025 also adopted amendments to the Central Imperial Plan, the Gateway Center West Plan, the Mount Hope Plan and the Southcrest Plan to extend the time limits on effectiveness, receipt of tax increment and repayment of debt for each sub Component Area of the Southeastern Project by ten years each pursuant to SB 211.

The ordinances adopting and amending each of the Central Imperial Plan, the Gateway Center West Plan, the Mount Hope Plan and the Southcrest Plan are listed below:

Central Imperial Project. The Redevelopment Plan for the Central Imperial Project (“Central Imperial Plan”) was adopted on September 14, 1992 by Ordinance No. O-17831. The Central Imperial Plan was subsequently amended as follows:

• By Ordinance No. O-18118 on November 28, 1994, to amend the time for payment of indebtedness and the time to incur indebtedness.

• By Ordinance No. O-18213 on September 9, 1995, to amend certain provisions of the Central Imperial Plan regarding land uses subject to the Central Imperial Plan.

• By Ordinance No. O-18252 on January 8, 1996, to amend Central Imperial Project Area boundaries to delete territory and to amend certain provisions of the Central Imperial Plan regarding land uses subject to the Central Imperial Plan (the “Original Central Imperial Area”).
• By Ordinance No. O-18367 on December 10, 1996, to amend the time to incur indebtedness, the duration of the Central Imperial Plan, to restate the tax increment limit and the bonded indebtedness limit, and to add territory (which added territory is referred to below as “Central Imperial #2”).

• By Ordinance No. O-18721 on November 22, 1999, to amend the duration of the Central Imperial Plan, the time to pay indebtedness, and the time to receive tax increment.

• By Ordinance No. O-18882 on November 14, 2000, to amend the time to incur indebtedness, the duration of the Central Imperial Plan and the tax increment limit, to restate the limit on bonded indebtedness and the time to receive tax increment, to add territory (which added territory is referred to below as “Central Imperial #3”), and set the time limit to utilize eminent domain in the added territory.

• By Ordinance No. O-19233 on November 3, 2003, to amend the time limit on the exercise of eminent domain.

• By Ordinance No. O-19630 on June 27, 2007, to describe the Successor Agency’s program for exercise of eminent domain powers within the Central Imperial Redevelopment Project Area.

• By Ordinance No. O-19683 on November 20, 2007, to extent each of the duration of the Central Imperial Plan and the time to receive tax increment with respect to the Original Central Imperial Area pursuant to SB 1045.

• By Ordinance No. O-19684 on November 20, 2007, to extent each of the duration of the Central Imperial Plan and the time to receive tax increment with respect to Central Imperial #2 pursuant to SB 1045.

• By Ordinance No. O-19685 on November 20, 2007, to extent each of the duration of the Central Imperial Plan and the time to receive tax increment with respect to Central Imperial #3 pursuant to SB 1045.

• By Ordinance No. O-20025 on February 28, 2011, to merge the project areas of the Central Imperial, Gateway Center West, Mount Hope, and Southcrest Project Areas; to eliminate the time to incur indebtedness; to establish a combined tax increment limit for the merged project areas (other than those areas previously established as Central Imperial #2 and Central Imperial #3, as to which no such limit was to be applicable); to establish a combined bonded indebtedness limit for all territory within the merged project area; and to amend certain language concerning land uses.

Gateway Center West Project. The Redevelopment Plan for the Gateway Center West Project (“Gateway Center West Plan”) was adopted on November 17, 1976 by Ordinance No. O-11950 (originally named the “Dells Redevelopment Project”). The Gateway Center West Plan was subsequently amended as follows:

• By Ordinance No. O-16172 on February 27, 1984, to extend the time to exercise eminent domain powers within the Gateway Center West Redevelopment Project Area.

• By Ordinance No. O-18123 on November 28, 1994, to amend the Gateway Center West Plan to adopt a time limit on receiving tax increment and a time limit on incurring indebtedness.
• By Resolution No. R-263661 on July 9, 1985, to amend the project area name from Dells Redevelopment Project to Gateway Center West Redevelopment Project.

• By Ordinance No. O-19636 on June 27, 2007, to describe the Successor Agency’s program for exercise of eminent domain powers within the Gateway Center West Redevelopment Project Area.

• By Ordinance No. O-19680 on November 20, 2007, to amend the duration of the Gateway Plan and the time to receive tax increment.

• By Ordinance No. O-20025 on February 28, 2011, to merge the project areas of the Central Imperial, Gateway Center West, Mount Hope, and Southcrest Project Areas; to eliminate the time to incur indebtedness; to establish a combined tax increment limit for the merged project areas (other than those areas previously established as Central Imperial #2 and Central Imperial #3, as to which no such limit was to be applicable); to establish a combined bonded indebtedness limit for all territory within the merged project area; and to amend certain language concerning land uses.

Mount Hope Project. The Redevelopment Plan for the Mount Hope Project (“Mount Hope Plan”) was adopted on November 22, 1982 by Ordinance No. O-15862. The Mount Hope Plan was subsequently amended as follows:

• By Ordinance No. O-18127 on November 28, 1994, to establish a time limit for the receipt of tax increment and the time to incur indebtedness.

• By Ordinance No. O-18725 on November 22, 1999, to amend the duration of the Mount Hope Plan and the time to receive tax increment.

• By Ordinance No. O-19417 on October 10, 2005, to eliminate the time to incur indebtedness and amend the time for receipt of tax increment.

• By Ordinance No. O-19640 on June 27, 2007, to describe the Successor Agency’s program for exercise of eminent domain powers within the Mount Hope Redevelopment Project Area.

• By Ordinance No. O-19681 on November 20, 2007, to extend by three years each of the duration of the Mount Hope Plan and the time to receive tax increment pursuant to SB 1045 and SB 1096.

• By Ordinance No. O-20025 on February 28, 2011, to merge the project areas of the Central Imperial, Gateway Center West, Mount Hope, and Southcrest Project Areas; to eliminate the time to incur indebtedness; to establish a combined tax increment limit for the merged project areas (other than those areas previously established as Central Imperial #2 and Central Imperial #3, as to which no such limit was to be applicable); to establish a combined bonded indebtedness limit for all territory within the merged project area; and to amend certain language concerning land uses.

Southcrest Project. The Redevelopment Plan for the Southcrest Project (“Southcrest Plan”) was adopted on April 14, 1986 by Ordinance No. O-16622. The Southcrest Plan was subsequently amended as follows:

• By Ordinance No. O-18128 on November 28, 1994, to establish a time limit on receiving tax increment and the time to incur indebtedness.
• By Ordinance No. O-19330 on November 22, 2004, to amend certain language in the Southcrest Plan concerning land uses.

• By Ordinance No. O-19484 on April 25, 2006, to eliminate the time limit on the incurring of indebtedness.

• By Ordinance No. O-19644 on June 27, 2007, to describe the Successor Agency’s program for exercise of eminent domain powers within the Southcrest Redevelopment Project Area.

• By Ordinance No. O-19682 on November 20, 2007, to extend by one year each of the duration of the Southcrest Plan and the time to receive tax increment pursuant to SB 1045.

• By Ordinance No. O-20025 on February 28, 2011, to merge the project areas of the Central Imperial, Gateway Center West, Mount Hope, and Southcrest Project Areas; to eliminate the time to incur indebtedness; to establish a combined tax increment limit for the merged project areas (other than those areas previously established as Central Imperial #2 and Central Imperial #3, as to which no such limit was to be applicable); to establish a combined bonded indebtedness limit for all territory within the merged project area; and to amend certain language concerning land uses.
EXHIBIT B

SENIOR OBLIGATIONS

$12,970,000 Horton Plaza Redevelopment Project Senior Tax Allocation Refunding Bonds, Series 1996-A (the “Horton Plaza Series 1996A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and U.S. Trust Company of California, N.A., dated as of May 1, 1996, relating to the Horton Plaza Series 1996A Bonds

$69,000,000 Redevelopment Agency of the City of San Diego Centre City Redevelopment Project Tax Allocation Housing Bonds, Series 2008A (Taxable) (the “Centre City Series 2008A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Deutsche Bank National Trust Company, dated as of June 1, 2008, relating to the Centre City Series 2008A Bonds

$12,105,000 Centre City Redevelopment Project Parking Revenue Bonds, Series 1999A (the “Centre City Series 1999A Parking Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and U.S. Trust Company, National Association, dated as of November 1, 1999, relating to the Centre City Series 1999A Parking Bonds

$20,515,000 Centre City Redevelopment Project Subordinate Parking Bonds, Series 2003B (the “Centre City Series 2003B Parking Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Wells Fargo Bank, National Association, dated as of January 1, 2003, relating to the Centre City Series 2003B Parking Bonds

$76,255,000 Centre City Redevelopment Project Subordinate Tax Allocation Bonds, Series 2006A (the “Centre City Series 2006A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Deutsche Bank National Trust Company, dated as of June 1, 2006, relating to the Centre City Series 2006A Bonds

$33,760,000 Centre City Redevelopment Project Tax Allocation Housing Bonds, Series 2006B (Taxable) (the “Centre City Series 2006B Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Deutsche Bank National Trust Company, dated as of June 1, 2006, relating to the Centre City Series 2006B Bonds

$13,930,000 North Park Redevelopment Project Subordinate Tax Allocation Bonds, Series 2009A (the “North Park Series 2009A Bonds”), issued pursuant to that certain Indenture of Trust between the Former Agency and Wells Fargo Bank, National Association, dated as of July 1, 2009, relating to the North Park Series 2009A Bonds

$5,635,000 City Heights Redevelopment Project Tax Allocation Bonds, 2010 Series A (Tax-Exempt) (the “City Heights Series 2010A Bonds”), issued pursuant to that certain Master Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, as supplemented by that certain First Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, that certain Second Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, and that certain Third Supplemental Trust Agreement (City Heights Redevelopment Project) between the
Former Agency and U.S. Bank National Association, dated as of August 1, 2010, relating to the City Heights Series 2010A Bonds

$9,590,000 City Heights Redevelopment Project Tax Allocation Bonds, 2010 Series B (Taxable) (the “City Heights Series 2010B Bonds”), issued pursuant to that certain Master Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, as supplemented by that certain First Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, that certain Second Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, and that certain Third Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and U.S. Bank National Association, dated as of August 1, 2010, relating to the City Heights Series 2010B Bonds

$4,915,000 Crossroads Redevelopment Project Tax Allocation Bonds, 2010 Series A (the “Crossroads Series 2010A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and U.S. Bank National Association, dated as of August 1 2010, relating to the Crossroads Series 2010A Bonds

$19,765,000 Naval Training Center Redevelopment Project Tax Allocation Bonds, 2010 Series A (the “Naval Training Center Series 2010A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and U.S. Bank National Association, dated as of August 1 2010, relating to the Naval Training Center Series 2010A Bonds

$2,900,000 San Ysidro Redevelopment Project Tax Allocation Bonds, 2010 Series A (Tax-Exempt) (the “San Ysidro Series 2010A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and U.S. Bank National Association, dated as of August 1 2010, relating to the San Ysidro Series 2010A Bonds


$17,755,000 Public Facilities Financing Authority of the City of San Diego, California Pooled Financing Bonds, 2007 Series B (Tax-Exempt) (Southcrest and Central Imperial Redevelopment Projects) (the “PFFA Series 2007B Bonds”), issued pursuant to that certain Indenture of Trust between the Former Agency and BNY Trust Company, dated as of June 1 2007, relating to the PFFA Series 2007B Bonds

Proceeds of the PFFA Series 2007A Bonds and the PFFA Series 2007B Bonds were used to make five separate loans to the Former Agency, and are secured by the Successor Agency’s payments under such loans, pursuant to the following documents: (1) the Master Trust Agreement
(Southcrest Redevelopment Project), as supplemented by the Loan Agreement and Third Supplemental Trust Agreement (Southcrest Redevelopment Project), dated as of June 1, 2007, by and among the Public Facilities Financing Authority of the City of San Diego, California (the "Authority"), BNY Trust Company and the Former Agency relating to the tax-exempt loan of $9,405,000 and the taxable loan of $7,605,000 to the Former Agency with respect to the Southcrest Redevelopment Project; (2) the Master Trust Agreement (Central Imperial Redevelopment Project), as supplemented by the Loan Agreement and Second Supplemental Trust Agreement (Central Imperial Redevelopment Project), dated as of June 1, 2007, by and among the Authority, BNY Trust Company and the Former Agency relating to the tax-exempt loan of $8,350,000 and the taxable loan of $6,515,000 to the Former Agency with respect to the Central Imperial Redevelopment Project; and (3) the Master Trust Agreement (Mount Hope Redevelopment Project), as supplemented by the Loan Agreement and Fourth Supplemental Trust Agreement (Mount Hope Redevelopment Project), dated as of June 1, 2007, by and among the Authority, BNY Trust Company and the Former Agency relating to the taxable loan of $3,110,000 to the Former Agency with respect to the Mount Hope Redevelopment Project.

EXHIBIT C

REFUNDED BONDS


$6,325,000 Horton Plaza Redevelopment Project Subordinate Tax Allocation Bonds, Series 2003A (the “Horton Plaza Series 2003A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Wells Fargo Bank, National Association, dated as of May 1, 2003, relating to the Horton Plaza Series 2003A Bonds

$4,530,000 Horton Plaza Redevelopment Project Junior Lien Tax Allocation Bonds, Series 2003B (the “Horton Plaza Series 2003B Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Wells Fargo Bank, National Association, dated as of May 1, 2003, relating to the Horton Plaza Series 2003B Bonds

$8,000,000 Horton Plaza Redevelopment Project Tax Allocation Housing Bonds, Series 2003C (Taxable) (the “Horton Plaza Series 2003C Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Wells Fargo Bank, National Association, dated as of May 1, 2003, relating to the Horton Plaza Series 2003C Bonds


$13,610,000 Centre City Redevelopment Project Subordinate Tax Allocation Bonds, Series 1999C (Tax-Exempt) (the “Centre City Series 1999C Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and U.S. Bank Trust National Association, dated as of February 1, 1999, relating to the Centre City Series 1999C Bonds

$6,100,000 Centre City Redevelopment Project Subordinate Tax Allocation Bonds, Series 2000A (the “Centre City Series 2000A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Union Bank of California, N.A., dated as of March 1, 2000, relating to the Centre City Series 2000A Bonds

$21,390,000 Centre City Redevelopment Project Subordinate Tax Allocation Bonds, Series 2000B (the “Centre City Series 2000B Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and U.S. Trust Company, N.A., dated as of November 1, 2000, relating to the Centre City Series 2000B Bonds

$58,425,099.75 Centre City Redevelopment Project Subordinate Tax Allocation Bonds, Series 2001A (the “Centre City Series 2001A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and BNY Western Trust Company, dated as of November 1, 2001, relating to the Centre City Series 2001A Bonds
$31,000,000 Centre City Redevelopment Project Subordinate Tax Allocation Bonds, Series 2003A (the “Centre City Series 2003A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Wells Fargo Bank, National Association, dated as of January 1, 2003, relating to the Centre City Series 2003A Bonds

$101,180,000 Centre City Redevelopment Project Subordinate Tax Allocation Bonds, Series 2004A (the “Centre City Series 2004A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Wells Fargo Bank, National Association, dated as of July 1, 2004, relating to the Centre City Series 2004A Bonds

$27,785,000 Centre City Redevelopment Project Tax Allocation Housing Bonds, Series 2004C (Taxable) (the “Centre City Series 2004C Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Wells Fargo Bank, National Association, dated as of July 1, 2004, relating to the Centre City Series 2004C Bonds.

$8,905,000 Centre City Redevelopment Project Tax Allocation Housing Bonds, Series 2004D (Taxable) (the “Centre City Series 2004D Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Wells Fargo Bank, National Association, dated as of July 1, 2004, relating to the Centre City Series 2004D Bonds.

$7,000,000 North Park Redevelopment Project Tax Allocation Bonds, Series 2000 (the “North Park Series 2000 Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Wells Fargo Bank, National Association, dated as of October 1, 2000, relating to the North Park Series 2000 Bonds.


$1,200,000 Mount Hope Redevelopment Project Tax Allocation Bonds, Series 1995A (Tax Exempt) (the “Mount Hope Series 1995A Bonds”), issued pursuant to that certain Master Trust Agreement (Mount Hope Redevelopment Project) between the Former Agency and First Interstate Bank of California (“First Interstate Bank”), dated as of May 1, 1995, as supplemented by that certain First Supplemental Trust Agreement (Mount Hope Redevelopment Project) between the Former Agency and First Interstate Bank, dated as of May 1, 1995, relating to the Mount Hope Series 1995A Bonds.

$3,055,000 Mount Hope Redevelopment Project Tax Allocation Refunding Bonds, Series 2002A (the “Mount Hope Series 2002A Bonds”), issued pursuant to that certain Master Trust Agreement (Mount Hope Redevelopment Project) between the Former Agency and First Interstate Bank, dated as of May 1, 1995, as supplemented by that certain First Supplemental Trust Agreement (Mount Hope Redevelopment Project) between the Former Agency and First Interstate Bank, dated as of May 1, 1995, relating to the Mount Hope Series 1995A Bonds.
(Mount Hope Redevelopment Project) between the Former Agency and First Interstate Bank, dated as of May 1, 1995, that certain Second Supplemental Trust Agreement between the Former Agency and First Interstate Bank, dated as of May 1, 1995, and that certain Third Supplemental Trust Agreement (Mount Hope Redevelopment Project) between the Former Agency and BNY Western Trust Company, dated as of July 1, 2002, relating to the Mount Hope Series 2002A Bonds

$5,690,000.00 City Heights Redevelopment Project Tax Allocation Bonds, Series 1999A (the “City Heights Series 1999A Bonds”), issued pursuant to that certain Master Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank of California (“Dai-Ichi Kangyo Bank”), dated as of April 1, 1999, as supplemented by that certain First Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, relating to the City Heights Series 1999A Bonds

$10,140,522.70 City Heights Redevelopment Project Tax Allocation Capital Appreciation Bonds, Series 1999B (the “City Heights Series 1999B Bonds”), issued pursuant to that certain Master Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, as supplemented by that certain First Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, and that certain Second Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, relating to the City Heights Series 1999B Bonds

$4,955,000 Redevelopment Agency of the City of San Diego City Heights Redevelopment Project 2003 Housing Set-Aside Tax Allocation Bonds, Series A (Taxable) (the “City Heights Series 2003A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and BNY Western Trust Company, dated as of December 1, 2003, relating to the City Heights Series 2003A Bonds

$13,000,000 North Bay Redevelopment Project Tax Allocation Bonds, Series 2000 (the “North Bay Series 2000 Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Wells Fargo Bank, National Association, dated as of October 1, 2000, relating to the North Bay Series 2000 Bonds
EXHIBIT D
PASS-THROUGH AGREEMENTS

COUNTY OF SAN DIEGO PASS-THROUGH AGREEMENTS:

Barrio Logan, Document 2025, dated April 27, 1993

Centre City Expansion, Columbia, Gaslamp & Marina, Document 1911, dated May 22, 1992

Centre City, Document 2053, dated August 23, 1993

Centre City, Document 2161, dated September 14, 1994

City Heights, Document 1903, dated July 8, 1992

College Community, Document 0298, dated January 4, 1994

College Grove, Document 1460, dated July 22, 1987

SAN DIEGO UNIFIED SCHOOL DISTRICT PASS-THROUGH AGREEMENTS:

Barrio Logan, Document 2525, dated June 27, 1995

Central Imperial, Document 1984, dated December 16, 1992

Centre City Expansion, Columbia, Gaslamp & Marina, Document 1912, dated June 9, 1992

City Heights, Document 1901, dated June 6, 1992

College Community, Document 2062, dated August 17, 1993

SAN DIEGO COMMUNITY COLLEGE DISTRICT PASS-THROUGH AGREEMENTS:

Barrio Logan, Document 1918, dated May 28, 1992

Central Imperial, Document 1986, dated December 16, 1992

College Community, Document 2083, dated December 16, 1993

City Heights, Document 1902, dated June 6, 1992

Centre City Expansion, Columbia, Gaslamp & Marina, Document 1913, dated June 4, 1992
SAN DIEGO COUNTY OFFICE OF EDUCATION PASS-THROUGH AGREEMENTS:

Central Imperial, Document 1985, dated December 16, 1992

Centre City Expansion, Columbia, Gaslamp & Marina, Document 1914, dated July 7, 1992

City Heights, Document 1904, dated July 24, 1992

College Community, Document 2093, dated December 23, 1993
EXHIBIT E

PRIOR AGREEMENTS

Grantville Cooperation Agreements. With respect to the Grantville Redevelopment Plan, the following agreements of the Former Agency (the “Grantville Agreements”), each dated August 25, 2008:

1. An agreement with the County pursuant to which the Former Agency agreed to pay $7,840,000 to the County in 39 annual payments, secured by a senior pledge of tax increment from the Grantville Project.

2. An agreement with the City pursuant to which the Former Agency agreed to pay $31,360,000 to the City in 39 annual payments, secured by a senior pledge of tax increment from the Grantville Project.

3. An agreement with the County and the City pursuant to which the Former Agency agreed to use $9,800,000 of the Housing Set-Aside generated from the Grantville Project to construct affordable housing units in satisfaction of the County’s Regional Housing Needs Allocation established by the San Diego Association of Governments.

Naval Training Center Disposition and Development Agreement and Related Obligations. With respect to the Naval Training Center Redevelopment Project, the following agreements of the Former Agency:

4. The Naval Training Center Disposition and Development Agreement, dated as of June 26, 2000 (the “NTC Agreement”), between the Former Agency and McMillin-NTC, LLC (the “NTC Developer”).

5. That certain Secured Deferred Improvement Agreement between the NTC Developer and the Former Agency, dated as of April 9, 2002, pursuant to which the Successor Agency is obligated to pay the cost of certain storm drain improvements including approximately 10 storm water outfalls (the “Outfalls”) into the boat channel located in the NTC Project (the “NTC Boat Channel”).

Housing Fund Litigation. Obligations of the Successor Agency, if any, arising from that certain action entitled The Affordable Housing Coalition of San Diego County v. Sandoval (Case No. 34-2012-80001158-CU-WM-GDS, originally filed April 25, 2012), to the extent finally determined to include liabilities having a prior claim to the Bonds on moneys deposited in the RPTTF.
EXHIBIT F

(FORM OF SERIES 2016A BOND)

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF SAN DIEGO
TAX ALLOCATION REFUNDING BONDS, SERIES 2016A

INTEREST RATE: MATURITY DATE: DATED DATE: CUSIP:

September 1, 

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: DOLLARS

The SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, 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 August 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 March 1 and September 1 in each year, commencing September 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 U.S. Bank National Association, as trustee (the “Trustee”), in Saint Paul,
Minnesota 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 Redevelopment Agency of the City of San Diego Tax Allocation
Refunding Bonds, Series 2016A” (the “Bonds”), of an aggregate principal amount of $145,080,000,
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 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 January 1, 2016, 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. Simultaneously with the issuance of the Bonds, the
Successor Agency is also issuing bonds designated as “Successor Agency to the Redevelopment
Agency of the City of San Diego Tax Allocation Refunding Bonds, Series 2016B (Federally
Taxable)” (the “Series 2016B Bonds”) that are payable from Pledged Tax Revenues on a parity with
the Bonds. Additional bonds or other obligations may be issued on a parity with the Bonds and the
Series 2016B 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, to the Dissolution Act, to the Refunding Law and to the Law for a description
of the terms on which the Bonds and the Series 2016B 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 Areas (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 Areas.
There has been created the Special Fund (as defined in the Indenture), which will be maintained by the Successor Agency, 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, the Dissolution Act, the Refunding Law 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, the Series 2016B Bonds and any additional Parity Debt (as defined in the Indenture). In addition and to the extent set forth in the Indenture, 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 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 and the Series 2016B Bonds.

The Bonds are subject to optional redemption prior to maturity 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.

This Bond is not a debt, liability or obligation of the City of San Diego, the State of California, or any of its political subdivisions, and neither said City, 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 Redevelopment Agency of the City of San Diego has caused this Bond to be executed in its name and on its behalf with the manual or facsimile signature of the Chief Financial Officer of the City of San Diego and attested by the manual or facsimile signature of the City Clerk of the City of San Diego, all as of the Dated Date set forth above.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO

By: __________________________________________

Chief Financial Officer of the City of San Diego

ATTEST:

__________________________
City Clerk of the City of San Diego

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

Authentication Date: __________

U.S. BANK NATIONAL ASSOCIATION,
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
- TEN ENT -- as tenants by the entireties
- JT TEN -- as joint tenants with right of survivorship and not as tenants in common
- COMM PROP -- as community property

Abbreviations under Uniform Gifts to Minors Act:
- UNIF GIFT MIN ACT
- Custodian
- (Cust.)
- (Minor)
- (State)

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 appoint(s) attorney,

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

Dated: __________________________

Signatures Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor. Note: The signatures(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.
EXHIBIT G

(FORM OF SERIES 2016B BOND)

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE
DEPOSITORY TRUST COMPANY TO THE TRUSTEE FOR REGISTRATION OF
TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN
THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN
AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY
PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE
HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE
THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

R-__ $________

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF SAN DIEGO
TAX ALLOCATION REFUNDING BONDS, SERIES 2016B (FEDERALLY TAXABLE)

INTEREST RATE: MATURITY DATE: DATED DATE: CUSIP:
September 1, _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _________________ DOLLARS

The SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF
SAN DIEGO, 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 August 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 March 1
and September 1 in each year, commencing September 1, 2016 (each an “Interest Payment Date”),

G-1
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 U.S. Bank National Association as trustee (the “Trustee”), in Saint Paul, Minnesota, 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 Redevelopment Agency of the City of San Diego Tax Allocation Refunding Bonds, Series 2016B (Federally Taxable)” (the “Bonds”), of an aggregate principal amount of $30,105,000, 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 January 1, 2016, 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. Simultaneously with the issuance of the Bonds, the Successor Agency is also issuing bonds designated as “Successor Agency to the Redevelopment Agency of the City of San Diego Tax Allocation Refunding Bonds, Series 2016A” (the “Series 2016A Bonds”) that are payable from Pledged Tax Revenues on a parity with the Bonds. Additional bonds or other obligations may be issued on a parity with the Bonds and the Series 2016A 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, to the Dissolution Act, to the Refunding Law and to the Law for a description of the terms on which the Bonds and the Series 2016A 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 Areas (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 Areas.
There has been created the Special Fund (as defined in the Indenture), which will be maintained by the Successor Agency, 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, the Dissolution Act, the Refunding Law 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, the Series 2016A Bonds and any additional Parity Debt (as defined in the Indenture). In addition and to the extent set forth in the Indenture, 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 and the Series 2016A 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.

G-3
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 hereof. 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.

This Bond is not a debt, liability or obligation of the City of San Diego, the State of California, or any of its political subdivisions, and neither said City, 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 Redevelopment Agency of the City of San Diego has caused this Bond to be executed in its name and on its behalf with the manual or facsimile signature of the Chief Financial Officer of the City of San Diego and attested by the manual or facsimile signature of the City Clerk of the City of San Diego, all as of the Dated Date set forth above.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO

By: ______________________________
    Chief Financial Officer of the City of San Diego

ATTEST:

______________________________
City Clerk of the City of San Diego

TRUSTEE’S CERTIFICATE OF AUTHENTICATION

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

Authentication Date: ______________

U.S. BANK NATIONAL ASSOCIATION, 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
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with right of survivorship and not as tenants in common
COMM PROP -- as community property

UNIF GIFT MIN ACT Custodian
(Cust.) (Minor)
under Uniform Gifts to Minors Act
(State)

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

(FORM OF ASSIGNMENT)

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

______________________________________________________________________________
(Name, Address and Tax Identification or Social Security Number of Assignee)

the within-registered Bond and hereby irrevocably constitute(s) and appoints(s)

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

Dated: __________________________

Signatures Guaranteed:

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

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

### TRUSTEE COMPENSATION TERMS (TAXABLE)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ACCEPTANCE FEE per series:</strong></td>
<td>$750.00</td>
</tr>
<tr>
<td>This one-time charge is payable at the time of the closing and includes the review and execution of the indenture and all documents submitted in support thereof, acceptance of the trust, establishment of procedures and controls and set-up of trust accounts.</td>
<td></td>
</tr>
<tr>
<td><strong>ANNUAL ADMINISTRATION per series:</strong></td>
<td>$1,000.00</td>
</tr>
<tr>
<td>The annual fee covers the duties and responsibilities related to account administration and bondholder services, which may include maintenance of accounts on various systems, collection and payment of principal and interest to bondholders, the preparation and distribution of any sinking fund redemption notices and the monitoring of issuer compliance. This fee is payable in advance for the year and shall not be prorated.</td>
<td></td>
</tr>
<tr>
<td><strong>LEGAL COUNSEL FEE:</strong></td>
<td>$3,000.00</td>
</tr>
<tr>
<td>A charge covering the fees and expenses of Counsel for its services, including review of governing documents, communication with members of the closing party (including representatives of the issuer, investment banker(s), attorney(s), and US Bank), attendance at meetings and the closing, and such other services as US Bank may deem necessary. The Counsel fee will be the actual amount of the fees and expenses charged by Counsel and is payable at closing. Counsel fees will be capped at the above price.</td>
<td></td>
</tr>
<tr>
<td><strong>ESCROW FEES (if required):</strong></td>
<td>$500.00</td>
</tr>
<tr>
<td>This fee is paid in advance and covers the normal administrative functions of the escrow agent.</td>
<td></td>
</tr>
<tr>
<td><strong>OUT OF POCKET EXPENSES: At cost, if any:</strong></td>
<td></td>
</tr>
<tr>
<td>Additional out of pocket expenses may include, but are not limited to, telephone, facsimile, courier, copying, postage, supplies, statutory filing charges including UCC amendments, continuations, and termination fees; and expenses of US Bank's representatives and Counsel for attending special meetings. Fees and expenses of US Bank's representatives and Counsel will be charged at the actual amount of fees and expenses charged and all other expenses will be charged at cost.</td>
<td></td>
</tr>
<tr>
<td><strong>INVESTMENT per trade:</strong></td>
<td>$50.00</td>
</tr>
<tr>
<td>With respect to investments in money market mutual funds for which US Bank provides shareholder services, US Bank (or its affiliates) may receive fees from the mutual funds (or their affiliates) for shareholder services as set forth in the Authorization and Direction of US Bank to Invest Cash Balances in Money Market Mutual Funds.</td>
<td></td>
</tr>
<tr>
<td><strong>OUT OF POCKET EXPENSES: At cost, if any:</strong></td>
<td></td>
</tr>
<tr>
<td>Additional out of pocket expenses may include, but are not limited to, telephone, facsimile, courier, copying, postage, supplies, statutory filing charges including UCC amendments, continuations, and termination fees; and expenses of US Bank's representatives and Counsel for attending special meetings. Fees and expenses of US Bank's representatives and Counsel will be charged at the actual amount of fees and expenses charged and all other expenses will be charged at cost.</td>
<td></td>
</tr>
</tbody>
</table>
FIRST SUPPLEMENTAL INDENTURE OF TRUST

Dated as of January 1, 2017

by and between the

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF SAN DIEGO

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Relating to

$[2017A Amount]
Successor Agency to the Redevelopment Agency of the City of San Diego
Tax Allocation Refunding Bonds, Series 2017A

and

$[2017B Amount]
Successor Agency to the Redevelopment Agency of the City of San Diego
Tax Allocation Refunding Bonds, Series 2017B (Federally Taxable)
TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>ARTICLE X</th>
<th>ADDITIONAL DEFINITIONS RELATING TO THE 2017 BONDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 10.01</td>
<td>Definitions ................................................................. 3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE XI</th>
<th>AUTHORIZATION OF 2017 BONDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 11.01</td>
<td>Authorization of 2017 Bonds ........................................ 6</td>
</tr>
<tr>
<td>Section 11.02</td>
<td>Terms of 2017 Bonds ...................................................... 6</td>
</tr>
<tr>
<td>Section 11.03</td>
<td>Redemption of 2017 Bonds .................................................. 8</td>
</tr>
<tr>
<td>Section 11.04</td>
<td>Form and Execution of 2017 Bonds, CUSIP Numbers ..................... 9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE XII</th>
<th>DEPOSIT AND APPLICATION OF PROCEEDS OF 2017 BONDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 12.01</td>
<td>Issuance of Bonds ......................................................... 9</td>
</tr>
<tr>
<td>Section 12.02</td>
<td>Application of Proceeds of Sale and Certain Other Amounts ............. 10</td>
</tr>
<tr>
<td>Section 12.03</td>
<td>Costs of Issuance Fund ................................................... 10</td>
</tr>
<tr>
<td>Section 12.04</td>
<td>2017 Refunding Fund .......................................................... 11</td>
</tr>
<tr>
<td>Section 12.05</td>
<td>2017 Subaccount of the Reserve Account ............................... 11</td>
</tr>
<tr>
<td>Section 12.06</td>
<td>2017 Subaccounts of the Redevelopment Obligation Retirement Fund and the Debt Service Fund .................................................. 13</td>
</tr>
<tr>
<td>Section 12.07</td>
<td>Rebate Fund ...................................................................... 13</td>
</tr>
<tr>
<td>Section 12.08</td>
<td>Trustee Responsible ............................................................ 15</td>
</tr>
<tr>
<td>Section 12.09</td>
<td>Rules of Construction ........................................................... 15</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE XIII</th>
<th>MISCELLANEOUS; 2017 BOND INSURER PROVISIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 13.01</td>
<td>Continuing Disclosure ........................................................ 15</td>
</tr>
<tr>
<td>Section 13.02</td>
<td>Covenants Relating to 2017 Bonds ......................... 15</td>
</tr>
<tr>
<td>Section 13.03</td>
<td>Benefits Limited to Parties .............................................. 15</td>
</tr>
<tr>
<td>Section 13.04</td>
<td>Effect of this First Supplement ....................................... 15</td>
</tr>
<tr>
<td>Section 13.05</td>
<td>Further Assurances ............................................................ 15</td>
</tr>
<tr>
<td>Section 13.06</td>
<td>[Rights of the 2017 Insurer .................................................. 15</td>
</tr>
<tr>
<td>Section 13.07</td>
<td>Execution in Counterparts ................................................. 16</td>
</tr>
<tr>
<td>Section 13.08</td>
<td>Governing Law .................................................................. 16</td>
</tr>
</tbody>
</table>

Signatures ................................................................................. S-1

| EXHIBIT A | REFUNDED BONDS .................................................................. A-1 |
| EXHIBIT B | FORM OF SERIES 2017A BOND .................................................. B-1 |
| EXHIBIT C | FORM OF SERIES 2017B BOND .................................................. C-1 |
| EXHIBIT D | TRUSTEE COMPENSATION TERMS ............................................... D-1 |
FIRST SUPPLEMENTAL INDENTURE OF TRUST

THIS FIRST SUPPLEMENTAL INDENTURE OF TRUST (this “First Supplement”) is made and entered into and dated as of January 1, 2017, by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, a public body, corporate and politic (the “Successor Agency”), as successor agency to the Redevelopment Agency of the City of San Diego (the “Former Agency”) and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as trustee under the hereinafter defined 2016 Indenture (the “Trustee”);

WITNESSETH:

WHEREAS, this First Supplement is supplemental to the Indenture of Trust, dated as of January 1, 2016 (the “2016 Indenture” and, together with this First Supplement and as it may be further supplemented and amended, the “Indenture”), between the Successor Agency and the Trustee, pursuant to which the Successor Agency issued its 2016 Bonds, as defined herein;

WHEREAS, from its formation in 1958 until its elimination on February 1, 2012, the Former Agency administered the implementation of various redevelopment projects, programs, and activities within designated areas throughout the City of San Diego (the “City”); and

WHEREAS, the Former Agency 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 California Health and Safety Code (as amended, the “Law”) and the powers of the Former Agency included the power to issue bonds and incur debt for any of its corporate purposes; and

WHEREAS, the City Council of the City, acting as the Former Agency’s governing board, duly adopted, and in some instances amended, redevelopment plans (collectively, “Redevelopment Plans”) for each of the redevelopment project areas (collectively, “Project Areas”) in the City, now consolidated into fourteen Project Areas as a result of previous mergers, as shown on Exhibit A of the 2016 Indenture, in compliance with all requirements of the Law;

WHEREAS, in order to finance and refinance redevelopment activities within or of benefit to the Project Areas, the Former Agency issued from time to time its tax allocation bonds identified in Exhibit A attached hereto and incorporated herein (collectively, the “Refunded Bonds”) and its tax allocation bonds or loans identified in Exhibit B of the 2016 Indenture to the extent such bonds or loans are not defeased and refunded pursuant to this First Supplement (collectively, the “Senior Obligations”);

WHEREAS, on June 28, 2011, the California Legislature enacted California Assembly Bill X1 26 (“AB X1 26”), which amended provisions of the Law and enacted Parts 1.8 and 1.85 of Division 24 of the California Health and Safety Code;

WHEREAS, the California Supreme Court’s decision in California Redevelopment Association v. Matosantos (the “Matosantos Decision”) upheld AB X1 26, resulting in the dissolution of the Former Agency on February 1, 2012;
WHEREAS, pursuant to AB X1 26 and the Matosantos Decision, the Successor Agency assumed certain powers, assets, duties and obligations of the Former Agency, including, without limitation, the obligations of the Former Agency under the Senior Obligations and the Refunded Bonds and the related documents to which the Former Agency was a party;

WHEREAS, on or about June 27, 2012, Assembly Bill 1484 (“AB 1484”) was adopted as a trailer bill in connection with the fiscal year 2012-13 California Budget;

WHEREAS, AB X1 26, as amended by AB 1484, and as subsequently amended, is referred to as the “Dissolution Act”;

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, the 2016 Bonds were issued pursuant to and in accordance with the provisions of Section 34177.5(a)(1) of the California Health and Safety Code and the Law;

WHEREAS, Section 3.05 of the 2016 Indenture permits the issuance of Parity Debt (within the meaning of the 2016 Indenture) payable from Pledged Tax Revenues on a parity with the 2016 Bonds, subject to certain terms and conditions; and

WHEREAS, in order to provide moneys to refund the Refunded 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 Tax Allocation Refunding Bonds, Series 2017A (the “Series 2017A Bonds”) and its Tax Allocation Refunding Bonds, Series 2017B (Federally Taxable) (the “Series 2017B Bonds” and, together with the Series 2017A Bonds, the “2017 Bonds”);

WHEREAS, the 2017 Bonds will be issued and secured pursuant to and in accordance with the provisions of Section 34177.5(a)(1) and Section 34177.5(g) of the California Health and Safety Code, the Law and the Refunding Law and will constitute Parity Debt under the 2016 Indenture;

WHEREAS, the 2017 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 2017 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 Senior Obligations that remain outstanding after the issuance of the 2017 Bonds as well as payments required under the Prior Agreements, the Pass-Through Agreements the payment for which have not been subordinated to the Bonds, and the senior Statutory Pass-Through Amounts;

WHEREAS, in order to provide for the authentication and delivery of the 2017 Bonds, to establish and declare the terms and conditions upon which the 2017 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 First Supplement; and

WHEREAS, the Successor Agency has determined that all acts and proceedings required by law necessary to make the 2017 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 First Supplement 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 2017 Bonds, issued and Outstanding under this First Supplement, 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 2017 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 2017 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 2017 Bonds, as follows:

ARTICLE X

ADDITIONAL DEFINITIONS RELATING TO THE 2017 BONDS

Section 10.01 Definitions. Unless the context otherwise requires, the terms defined in this Section 10.01 shall, for all purposes of this First Supplement, have the respective meanings specified in this Section 10.01. All terms defined in Section 1.02 of the 2016 Indenture and not otherwise defined in this Section 10.01 shall, when used in this First Supplement, have the respective meanings given to such terms in Section 1.02 of the 2016 Indenture.

“Escrow Agent” shall mean the respective Escrow Agent identified in each of the Escrow Agreements for the Refunded Bonds referenced in this First Supplement.


“Escrow Agreement (___________ Bonds)” shall mean the Prior Bonds Escrow Agreement dated as of January 1, 2017 providing for the defeasance of the $6,100,000 Centre City Redevelopment Project Subordinate Tax Allocation Bonds, Series 2000A Bonds, comprising a portion of the Refunded Bonds, between the Successor Agency and MUFG Union Bank, N.A., as Escrow Agent.

“Escrow Agreement (___________ Bonds)” shall mean the Prior Bonds Escrow Agreement dated as of January 1, 2017 providing for the defeasance of the $______________, ________________Bonds, comprising a portion of the Refunded Bonds, between the Successor Agency and U.S. Bank National Association, as Escrow Agent.
“Escrow Agreement (_________ Bonds)” shall mean the Prior Bonds Escrow Agreement dated as of January 1, 2017 providing for the defeasance of the $____________________ Bonds, comprising a portion of the Refunded Bonds, between the Successor Agency and Wells Fargo Bank, National Association, as Escrow Agent.

“First Supplement” means this First Supplemental Indenture of Trust dated as of January 1, 2017, between the Successor Agency and the Trustee.

“Indenture” means the 2016 Indenture, as supplemented and amended by this First Supplement, and as they may be further supplemented or amended by any Supplemental Indenture entered into pursuant to the provisions thereof.

“Insurer” means the 2017 Insurer and, as applicable to the extent provided in a Supplemental Indenture, 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).

“Original Purchaser” means ________________, as the original purchaser of the 2017 Bonds.

“Refunding Fund” means the 2017 Refunding Fund established and held by the Trustee pursuant to Section 12.04.

“Reserve Requirement” means, the Reserve Requirement for the 2017 Bonds computed in accordance with the 2016 Indenture, initially $__________.

[“Ordinance” means Ordinance No. O-_______ of the Successor Agency approving the issuance of the 2017 Bonds.]

“Series 2017A Bonds” means the $__________ initial aggregate principal amount of the Successor Agency to the Redevelopment Agency of the City of San Diego Tax Allocation Refunding Bonds, Series 2017A.

“Series 2017A Bonds Account” means the account by that name established within the Refunding Fund.

“Series 2017B Bonds” means the $__________ initial aggregate principal amount of the Successor Agency to the Redevelopment Agency of the City of San Diego Tax Allocation Refunding Bonds, Series 2017B (Federally Taxable).

“Series 2017B Bonds Account” means the account by that name established within the Refunding Fund.


“2016 Indenture” means the Indenture of Trust dated as of January 1, 2016, by and between the Successor Agency and U.S. Bank National Association, as trustee.

“2016 Reserve Subaccount” means the subaccount by that name established within the Reserve Account pursuant to Section 4.03(c) and Section 12.05.


“2017 Bond Year” means, with respect to the 2017 Bonds, the one-year period beginning on October 2 in any year and ending on the next succeeding October 1, provided that the first Bond Year with respect to the 2017 Bonds shall begin on the closing date with respect to the 2017 Bonds and end on October 1, 2017.

“2017 Closing Date” means, with respect to the 2017 Bonds, the date on which the 2017 Bonds are delivered to the original purchasers thereof, being __________, 2017.

“2017 Continuing Disclosure Certificate” means, with respect to the 2017 Bonds, that certain Continuing Disclosure Certificate relating to the 2017 Bonds executed by the Successor Agency and dated the date of issuance and delivery of the 2017 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“2017 Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to Section 12.03.

“2017 Insurer” means ________________________, a ________________________, in its capacity as issuer of the 2017 Surety Bond.

“2017 Refunding Fund” means the fund by that name established pursuant to Section 12.07.


“2017 Reserve Subaccount” means the subaccount by that name established within the Reserve Account pursuant to Section 12.05.


“2017 Surety Bond” means the debt service reserve fund surety bond to be issued by the 2017 Insurer in satisfaction of the initial Reserve Requirement for the 2017 Bonds, in the stated amount of $__________.
ARTICLE XI

AUTHORIZATION OF 2017 BONDS

Section 11.01 Authorization of 2017 Bonds.

(a) 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 2017 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 2017 Bonds in the manner and form provided in this First Supplement.

(b) Two initial issues of Bonds are hereby authorized to be issued by the Successor Agency under and subject to the terms of this First Supplement, 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 issues of Bonds shall be designated the (i) “Successor Agency to the Redevelopment Agency of the City of San Diego Tax Allocation Refunding Bonds, Series 2017A” (the “Series 2017A Bonds”) and (ii) “Successor Agency to the Redevelopment Agency of the City of San Diego Tax Allocation Refunding Bonds, Series 2017B (Federally Taxable)” (the “Series 2017B Bonds”). The Series 2017A Bonds shall be issued in the initial aggregate principal amount of $________________, and the Series 2017B Bonds shall be issued in the initial aggregate principal amount of $________________.

Section 11.02 Terms of 2017 Bonds. The 2017 Bonds shall be issued in fully registered form without coupons. The 2017 Bonds shall be issued in denominations of $5,000 or any integral multiple thereof, so long as no 2017 Bond shall have more than one maturity date. The 2017 Bonds shall be dated as of their 2017 Closing Date. The 2017 Bonds shall be lettered and numbered as the Trustee shall prescribe.

The 2017 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:

<table>
<thead>
<tr>
<th>Series 2017A Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maturity Date</strong></td>
</tr>
<tr>
<td><strong>(September 1)</strong></td>
</tr>
<tr>
<td><strong>Principal Amount</strong></td>
</tr>
<tr>
<td><strong>Interest Rate</strong></td>
</tr>
</tbody>
</table>
Each 2017 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 August 15, 2017, in which event it shall bear interest from its 2017 Closing Date; provided, however, that if, as of the date of authentication of any 2017 Bond, interest thereon is in default, such 2017 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 2017 Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed 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 either the Series 2017A Bonds or the Series 2017B Bonds, which written request is on file with the Trustee as of any Record Date, interest on such Series 2017A Bonds or such Series 2017B 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 2017 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 11.03 Redemption of 2017 Bonds.

(a) Optional Redemption.

(i) The Series 2017A Bonds maturing on or prior to September 1, 20__, are not subject to optional redemption. The Series 2017A Bonds maturing on or after September 1, 20__, 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 September 1, 20__, 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.

(ii) The Series 2017B Bonds maturing on or after September 1, 20__, 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 September 1, 20__, 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.

(iii) The Series 2017B Bonds are further subject to optional redemption prior to their respective maturity dates as a whole, or in part by lot, on any date before September 1, 20__, 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 at a redemption price equal to ____________________________.

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem 2017 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 Series 2017B Bonds that are Term Bonds maturing September 1, 20__ and September 1, 20__ shall also be subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, commencing September 1, 20__, and September 1, 20__, respectively, as set forth below, from sinking fund payments made by the Successor Agency to the Principal Account pursuant to Section 11.03(b), at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following tables; provided however, that (y) in lieu of redemption thereof such Series 2017B Term Bonds may be purchased by the Successor Agency pursuant to Section 2.03(g) of the 2016 Indenture, and (z) if some but not all of such Series 2017B 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 2017B 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 2017B Term Bonds of 20

<table>
<thead>
<tr>
<th>September 1</th>
<th>Principal Amount</th>
</tr>
</thead>
</table>

(c) Redemption Procedures. Except as provided in this Section 11.03 to the contrary, Section 2.3(c) through (g) of the 2016 Indenture shall also apply to the 2017 Bonds.

Section 11.04 Form and Execution of 2017 Bonds, CUSIP Numbers. The Series 2017A 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 B, which is attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this First Supplement. The Series 2017B 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 C, which is attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this First Supplement.

The 2017 Bonds shall be executed as provided in Section 2.05 of the 2016 Indenture, and shall be otherwise subject to Sections 2.05 through 2.11 (references therein to Section 2.03 being read to include reference to Section 11.03 hereof) of the 2016 Indenture, as provided in Section 2.12 of the 2016 Indenture.

ARTICLE XII

DEPOSIT AND APPLICATION OF PROCEEDS OF 2017 BONDS

Section 12.01 Issuance of Bonds. Upon the execution and delivery of this First Supplement, the Successor Agency shall execute and deliver to the Trustee the Series 2017A Bonds in the aggregate principal amount of $__________ and the Series 2017B Bonds in the aggregate principal amount of $__________, and the Trustee shall authenticate and deliver the Series 2017A Bonds and the Series 2017B Bonds upon the Written Request of the Successor Agency.
Section 12.02 Application of Proceeds of Sale and Certain Other Amounts.

(a) On the 2017 Closing Date with respect to the Series 2017A Bonds, the net proceeds of sale of the Series 2017A Bonds, being $__________ (calculated as the par amount thereof, plus net original issue premium in the amount of $__________, less the discount of the original purchaser thereof in the amount of $__________, less the portion of the premium for the 2017 Surety Bond allocable to the Series 2017A Bonds in the amount of $__________ paid directly to the 2017 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 $__________, being the remaining amount of proceeds of the Series 2017A Bonds, in the Series 2017A Bonds Account of the Refunding Fund.

(b) On the 2017 Closing Date with respect to the Series 2017B Bonds, the net proceeds of sale of the Series 2017B Bonds, being $__________ (calculated as the par amount thereof, less net original issue discount in the amount of $__________, less the discount of the original purchaser thereof in the amount of $__________, and less the portion of the premium for the 2017 Surety Bond allocable to the Series 2017B Bonds in the amount of $__________ paid directly to the 2017 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.


The Trustee may, at its discretion, establish a temporary fund or account in its books or records to facilitate such transfers.

(c) On the 2017 Closing Date, the Trustee will credit the 2017 Subaccount of the Reserve Account with the 2017 Surety Bond.

The Trustee may, at its discretion, establish a temporary fund or account in its books or records to facilitate such transfers.

Section 12.03 Costs of Issuance Fund. There is hereby established a separate fund to be known as the “2017 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 2017 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 2017 Closing Date with respect to the 2017 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, with ____% of such amount used to pay debt service on the
Series 2017A Bonds, and _____% of such amount used to pay debt service on the Series 2017B Bonds, and the Costs of Issuance Fund shall be closed.

Section 12.04 2017 Refunding Fund.

(a) There shall be established a separate and segregated fund to be known as the “2017 Refunding Fund” (the “Refunding Fund”), together with a “Series 2017A Bonds Account” and a “Series 2017B Bonds Account” therein.

(b) On the 2017 Closing Date with respect to the 2017 Bonds, the Trustee shall disburse the $________ on deposit in the Series 2017A Bonds Account as follows:

   (i) $________ shall be transferred to the Escrow Agent for the _________ Bonds.
   (ii) $________ shall be transferred to the Escrow Agent for the _________ Bonds.
   (iii) $________ shall be transferred to the Escrow Agent for the _________ Bonds.
   (iv) $________ shall be transferred to the Escrow Agent for the _________ Bonds.
   (v) $________ shall be transferred to the Escrow Agent for the _________ Bonds.
   (vi) $________ shall be transferred to the Escrow Agent for the _________ Bonds.
   (vii) $________ shall be transferred to the Escrow Agent for the _________ Bonds.
   (viii) $________ shall be transferred to the Escrow Agent for the _________ Bonds.
   (ix) $________ shall be transferred to the Escrow Agent for the ________.

Upon making such transfers, the Trustee shall close the Series 2017B Bonds Account, and upon closing the Series 2017A Bonds Account and the 2017B Bonds Account, the Trustee shall close the Refunding Fund.

Section 12.05 2017 Subaccount of the Reserve Account. Pursuant to Sections 4.03 and 4.03(c) of the 2016 Indenture, the Trustee shall establish, maintain and hold in trust, a separate subaccount within the Reserve Account designated as the “2017 Reserve Subaccount.” Amounts on deposit in the Reserve Account for the 2016 Bonds shall be treated as held in a subaccount of the Reserve Account for such purpose and shall be available to pay debt service solely on the 2016 Bonds. Amounts on deposit in the 2017 Reserve Subaccount shall be available to pay debt service on the 2017 Bonds.
The Reserve Requirement for the 2017 Bonds will be satisfied by the delivery of the 2017 Surety Bond by the 2017 Insurer on the [2017 Closing Date] with respect to the 2017 Bonds. The Successor Agency will have no obligation to replace the 2017 Surety Bond or to fund the Reserve Account with cash if, at any time that the 2017 Bonds are Outstanding, amounts are not available under the 2017 Surety Bond other than in connection with a draw on the 2017 Surety Bond.

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 2017 Subaccount of the Reserve Account at any time becomes less than the Reserve Requirement applicable thereto, 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 applicable Reserve Account.

The amounts available under the 2017 Surety Bond shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the 2017 Subaccount of the Interest Account and the 2017 Subaccount of 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 2017 Bonds.

Moneys, if any, on deposit in the 2017 Subaccount of the Reserve Account (or the applicable account therein) shall be withdrawn and applied by the Trustee for the final payment or payments of principal of and interest on the 2017 Bonds (or the applicable account therein, respectively). The Trustee shall compute the Reserve Requirement annually on or before October 1.

So long as no event of default hereunder shall have occurred and be continuing, any amount in the 2017 Subaccount of the Reserve Account in excess of the applicable Reserve Requirement (or applicable reserve requirement) on February 20 and August 20 of each year shall be withdrawn from the 2017 Subaccount of the Reserve Account by the Trustee and such amount shall be deposited in the Interest Account (or applicable subaccounts).

In no event shall amounts in the 2017 Subaccount of the Reserve Account be applied to payment of any Bonds or Parity Debt other than 2017 Bonds.

Except as provided above, the amount on deposit in the 2017 Subaccount of the Reserve Account shall be maintained at the 2017 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 2017 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 2017 Reserve Requirement on deposit in the 2017 Subaccount of the Reserve Account. No such transfer and deposit need be made to the 2017 Reserve Account so long as there shall be on deposit therein a sum at least equal to the 2017 Reserve Requirement. All money in the 2017 Subaccount of the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers hereunder to the 2017 Subaccount of the Interest Account, the 2017 Subaccount of the Principal Account and the 2017 Subaccount of 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 2017 Subaccount of the Reserve Account in excess of the 2017 Reserve Requirement shall be withdrawn from the 2017 Subaccount of the Reserve Account semiannually on or before two (2) Business Days preceding each March 1 and September 1 by the Trustee and deposited in the 2017 Subaccount of the Interest Account.
or be applied pro rata in accordance with any applicable provision of a Parity Debt Instrument. All amounts in the 2017 Subaccount of the Reserve Account on the Business Day preceding the final Interest Payment Date shall be withdrawn from the 2017 Subaccount of the Reserve Account and shall be transferred to the 2017 Subaccount of the Interest Account and the 2017 Subaccount of the Principal Account, in such order, to the extent required to make the deposits then required to be made pursuant to this Section 12.05 or shall be applied pro rata as required by any Parity Debt Instrument, as applicable.

Notwithstanding anything to the contrary set forth in the Indenture, amounts on deposit in the 2017 Reserve Subaccount shall be applied solely to the payment of debt service due on the 2017 Bonds.

At the time the 2017 Bonds mature, amounts on deposit in the 2017 Reserve Subaccount shall be transferred to the Reserve Account for any Parity Bonds to the extent necessary to maintain the Reserve Requirement on any Parity Bonds then Outstanding.

Section 12.06 2017 Subaccounts of the Redevelopment Obligation Retirement Fund and the Debt Service Fund. [To facilitate treatment of the 2017 Bonds as Parity Bonds under the Indenture, there is hereby created a 2017 Bonds Parity Bonds Subaccount which shall be treated as a part of the Parity Bonds Subaccount of the Redevelopment Obligation Retirement Fund for all purposes of the Indenture, along with any additional subaccounts therein established in connection with any additional Parity Bonds.] There is hereby established in the Debt Service Fund a 2017 Subaccount of the Interest Account, a 2017 Subaccount of the Principal Account [and a 2017 Subaccount of the Redemption Account] which shall constitute the “related account for any Parity Bonds” referred to in Section 4.03, including (a) and (b), and this Supplemental Indenture shall be treated for all purposes as containing the similar provision of a Supplemental Indenture referred to in Section 4.03(d) with respect to the Redemption Account, respectively with respect to the 2017 Bonds.

Section 12.07 Rebate Fund. The Trustee shall establish a separate fund for the Series 2017A Bonds designated the “Rebate Fund.” Absent an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the Series 2017A Bonds will not be adversely affected, the Successor Agency shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to this Section and the Tax Certificate. 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 for the Series 2017A Bonds shall be governed by this Section and the Tax Certificate, unless the Successor Agency obtains and delivers to the Trustee an opinion of Bond Counsel that the exclusion from gross income of interest on the Series 2017A Bonds will not be adversely affected for federal income tax purposes if such requirements are not satisfied. Notwithstanding anything to the contrary contained herein or in the Tax Certificate, the Trustee shall be deemed conclusively to have complied with the provisions of this Section and the Tax Certificate if the Trustee follows the directions of the Successor Agency, and the Trustee shall have no independent responsibility to or liability resulting from failure of the Trustee to enforce compliance by the Successor Agency with the Tax Certificate or the provisions of this Section.

(a) Excess Investment Earnings.

(i) Computation. Within 55 days of the end of each fifth Bond Year with respect to the Series 2017A 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 Bond 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 Bond Year with respect to the Series 2017A Bonds, upon the Finance Director’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 12.07(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 Director, 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 Bond Year with respect to the Series 2017A Bonds, and (B) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year; and

(Y) Not later than 60 days after the payment of all the Series 2017A Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable 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 Section 12.07(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 Series 2017A Bonds and the payments described in Section 12.07(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 12.07 or this First Supplement to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance of the Series 2017A Bonds and any Parity Bonds.
Section 12.08 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 12.09 Rules of Construction. All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this First Supplement, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this First Supplement as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE XIII

MISCELLANEOUS; 2017 BOND INSURER PROVISIONS

Section 13.01 Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the 2017 Continuing Disclosure Certificate. Notwithstanding any other provision of the Indenture, failure of the Successor Agency to comply with the 2017 Continuing Disclosure Certificate shall not be considered an Event of Default; however, any Participating Underwriter or any owner or beneficial owner of the 2017 Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section

Section 13.02 Covenants Relating to 2017 Bonds. All of the covenants set forth in Article V of the 2016 Indenture shall equally apply to the 2017 Bonds.

Section 13.03 Benefits Limited to Parties. Nothing in this First Supplement, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee, the 2017 Insurer and the Owners of the 2017 Bonds, any right, remedy, claim under or by reason of this First Supplement. Any covenants, stipulations, promises or agreements in this First Supplement contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee, the 2017 Insurer and the Owners of the 2017 Bonds.

Section 13.04 Effect of this First Supplement. Except as in this First Supplement expressly provided or except to the extent inconsistent with any provision of this First Supplement, the 2017 Bonds shall be deemed to be Parity Debt and Bonds under and within the meaning thereof as set forth in Section 1.02 of the 2016 Indenture.

Section 13.05 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 the Indenture, and for the better assuring and confirming unto the Owners of the 2017 Bonds and the rights and benefits provided in the Indenture.

Section 13.06 [Rights of the 2017 Insurer. All references to the Bond Insurer set forth in Section 3.4 and Articles V, VI, VII, VIII and IX of the 2016 Indenture shall also mean and refer to the 2017 Insurer so long as any Insured 2017 Bonds remain Outstanding, to the full extent as if separately referenced therein. As used in Covenant 10 of Section 5.1, the Reserve Agreement shall refer to the 2017 Surety Bond.]
Notices provided to the 2017 Insurer shall be sent to the following address: __________. In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at _________________.”

Section 13.07 Execution in Counterparts. This First Supplement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.08 Governing Law. This First Supplement shall be construed and governed in accordance with the laws of the State of California.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]
IN WITNESS WHEREOF, the CITY OF SAN DIEGO, SOLELY IN ITS CAPACITY AS THE DESIGNATED SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, a former public body, corporate and politic, has caused this First Supplement to be signed in its name by the Chief Financial Officer of the City of San Diego, and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this First Supplement to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

CITY OF SAN DIEGO, SOLELY IN ITS CAPACITY AS THE DESIGNATED SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, A FORMER PUBLIC BODY, CORPORATE AND POLITIC

By:  
Chief Financial Officer of the City of San Diego

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By:  
Authorized Officer
EXHIBIT A

REFUNDED BONDS

$69,000,000 Redevelopment Agency of the City of San Diego Centre City Redevelopment Project Tax Allocation Housing Bonds, Series 2008A (Taxable) (the “Centre City Series 2008A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Deutsche Bank National Trust Company, dated as of June 1, 2008, relating to the Centre City Series 2008A Bonds

$76,255,000 Centre City Redevelopment Project Subordinate Tax Allocation Bonds, Series 2006A (the “Centre City Series 2006A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Deutsche Bank National Trust Company, dated as of June 1, 2006, relating to the Centre City Series 2006A Bonds

$33,760,000 Centre City Redevelopment Project Tax Allocation Housing Bonds, Series 2006B (Taxable) (the “Centre City Series 2006B Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Deutsche Bank National Trust Company, dated as of June 1, 2006, relating to the Centre City Series 2006B Bonds

$13,930,000 North Park Redevelopment Project Subordinate Tax Allocation Bonds, Series 2009A (the “North Park Series 2009A Bonds”), issued pursuant to that certain Indenture of Trust between the Former Agency and Wells Fargo Bank, National Association, dated as of July 1, 2009, relating to the North Park Series 2009A Bonds

$5,635,000 City Heights Redevelopment Project Tax Allocation Bonds, 2010 Series A (Tax-Exempt) (the “City Heights Series 2010A Bonds”), issued pursuant to that certain Master Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, as supplemented by that certain First Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, that certain Second Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, and that certain Third Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and U.S. Bank National Association, dated as of August 1, 2010, relating to the City Heights Series 2010A Bonds

$9,590,000 City Heights Redevelopment Project Tax Allocation Bonds, 2010 Series B (Taxable) (the “City Heights Series 2010B Bonds”), issued pursuant to that certain Master Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, as supplemented by that certain First Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, that certain Second Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, and that certain Third Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and U.S. Bank National Association, dated as of August 1, 2010, relating to the City Heights Series 2010B Bonds
$4,915,000 Crossroads Redevelopment Project Tax Allocation Bonds, 2010 Series A (the “Crossroads Series 2010A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and U.S. Bank National Association, dated as of August 1 2010, relating to the Crossroads Series 2010A Bonds

$19,765,000 Naval Training Center Redevelopment Project Tax Allocation Bonds, 2010 Series A (the “Naval Training Center Series 2010A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and U.S. Bank National Association, dated as of August 1 2010, relating to the Naval Training Center Series 2010A Bonds

$2,900,000 San Ysidro Redevelopment Project Tax Allocation Bonds, 2010 Series A (Tax-Exempt) (the “San Ysidro Series 2010A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and U.S. Bank National Association, dated as of August 1 2010, relating to the San Ysidro Series 2010A Bonds


$17,755,000 Public Facilities Financing Authority of the City of San Diego, California Pooled Financing Bonds, 2007 Series B (Tax-Exempt) (Southcrest and Central Imperial Redevelopment Projects) (the “PFFA Series 2007B Bonds”), issued pursuant to that certain Indenture of Trust between the Former Agency and BNY Trust Company, dated as of June 1 2007, relating to the PFFA Series 2007B Bonds

Proceeds of the PFFA Series 2007A Bonds and the PFFA Series 2007B Bonds were used to make five separate loans to the Former Agency, and are secured by the Successor Agency’s payments under such loans, pursuant to the following documents: (1) the Master Trust Agreement (Southcrest Redevelopment Project), as supplemented by the Loan Agreement and Third Supplemental Trust Agreement (Southcrest Redevelopment Project), dated as of June 1, 2007, by and among the Public Facilities Financing Authority of the City of San Diego, California (the “Authority”), BNY Trust Company and the Former Agency relating to the tax-exempt loan of $9,405,000 and the taxable loan of $7,605,000 to the Former Agency with respect to the Southcrest Redevelopment Project; (2) the Master Trust Agreement (Central Imperial Redevelopment Project), as supplemented by the Loan Agreement and Second Supplemental Trust Agreement (Central Imperial Redevelopment Project), dated as of June 1, 2007, by and among the Authority, BNY Trust Company and the Former Agency relating to the tax-exempt loan of $8,350,000 and the taxable loan of $6,515,000 to the Former Agency with respect to the Central Imperial Redevelopment Project; (3) the Master Trust Agreement (Mount Hope Redevelopment Project), as supplemented by the Loan Agreement and Fourth Supplemental Trust Agreement (Mount Hope Redevelopment Project), dated as of June 1, 2007, by and among the Authority, BNY Trust Company and the Former Agency relating to the taxable loan of $3,110,000 to the Former Agency with respect to the Mount Hope Redevelopment Project.
$58,565,000 Housing Set-Aside Tax Allocation Bonds, 2010 Series A Taxable (the “Housing Set-Aside Series 2010A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and U.S. Bank National Association, dated as of August 1, 2010, relating to the Housing Set-Aside Series 2010A Bonds
EXHIBIT B

(FORM OF SERIES 2017A BOND)

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

R-_____ $___________

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF SAN DIEGO
TAX ALLOCATION REFUNDOING BONDS, SERIES 2017A

INTEREST RATE: MATURITY DATE: DATED DATE: CUSIP:

September 1, ______

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: ___________________ DOLLARS

The SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, 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 August 15, 2017, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on March 1 and September 1 in each year, commencing September 1, 2017 (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 U.S. Bank National Association, as trustee (the “Trustee”), in Saint Paul, Minnesota 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 Redevelopment Agency of the City of San Diego Tax Allocation Refunding Bonds, Series 2017A” (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 January 1, 2016, entered into by and between the Successor Agency and the Trustee, as supplemented by a First Supplemental Indenture of Trust dated as of January 1, 2017 by and between the same parties (collectively, the “Indenture”), providing for the issuance of the Bonds. The Bonds are being issued in the form of registered Bonds without coupons. Simultaneously with the issuance of the Bonds, the Successor Agency is also issuing bonds designated as “Successor Agency to the Redevelopment Agency of the City of San Diego Tax Allocation Refunding Bonds, Series 2017B (Federally Taxable)” (the “Series 2017B Bonds”) that are payable from Pledged Tax Revenues on a parity with the Bonds. The Bonds and 2017B Bonds are issued as Parity Debt under the Indenture on a parity with certain 2016 Bonds, as defined in the Indenture. Additional bonds or other obligations may be issued on a parity with the 2016 Bonds, the Bonds and the Series 2017B 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, to the Dissolution Act, to the Refunding Law and to the Law for a description of the terms on which the Bonds and the Series 2017B 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 Areas (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 Areas.

There has been created the Special Fund (as defined in the Indenture), which will be maintained by the Successor Agency, 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 2016 Bonds, the Bonds, the 2017B 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, the Dissolution Act, the Refunding Law 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 2016B Bonds, the Bonds, the Series 2017B Bonds and any additional Parity Debt (as defined in the Indenture). In addition and to the extent set forth in the Indenture, 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 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 2016B Bonds, the Bonds and the Series 2017B Bonds.

The Bonds are subject to optional redemption prior to maturity 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.

This Bond is not a debt, liability or obligation of the City of San Diego, the State of California, or any of its political subdivisions, and neither said City, 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 Redevelopment Agency of the City of San Diego has caused this Bond to be executed in its name and on its behalf with the manual or facsimile signature of the Chief Financial Officer of the City of San Diego and attested by the manual or facsimile signature of the City Clerk of the City of San Diego, all as of the Dated Date set forth above.

SUCCESSOR AGENCY TO THE 
REDEVELOPMENT AGENCY OF THE CITY 
OF SAN DIEGO

By: ________________________________
    Chief Financial Officer of the City of San Diego

ATTEST:

______________________________
City Clerk of the City of San Diego

TRUSTEE’S CERTIFICATE OF AUTHENTICATION

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

Authentication Date: ________________

U.S. BANK NATIONAL ASSOCIATION,
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
- **TEN ENT** -- as tenants by the entireties
- **JT TEN** -- as joint tenants with right of survivorship and not as tenants in common
- **COMM PROP** -- as community property

UNIF GIFT MIN ACT _______ Custodian _______
(Cust.) (Minor)

under Uniform Gifts to Minors Act ________
(State)

**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 appoint(s) ____________________________ attorney,
to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: ________________________________

Signatures Guaranteed:

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

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

(FORM OF SERIES 2017B BOND)

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE
DEPOSITORY TRUST COMPANY TO THE TRUSTEE FOR REGISTRATION OF TRANSFER,
EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF
CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED
REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT IS
MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE
OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED
OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

R-___ $_________

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF SAN DIEGO
TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (FEDERALLY TAXABLE)

INTEREST RATE: MATURITY DATE: DATED DATE: CUSIP:
September 1, ______

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: ___________________ DOLLARS

The SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF
SAN DIEGO, 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 August 15, 2017, in which event it shall bear interest from the Dated Date
above; provided however, that if at the time of authentication of this Bond, interest is in default on this
Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously
been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at
the Interest Rate per annum stated above, payable semiannually on March 1 and September 1 in each
year, commencing September 1, 2017 (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 U.S. Bank National Association as trustee (the “Trustee”), in Saint Paul, Minnesota, 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 Redevelopment Agency of the City of San Diego Tax Allocation Refunding Bonds, Series 2017B (Federally Taxable)” (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 January 1, 2017, entered into by and between the Successor Agency and the Trustee, as supplemented by a First Supplemental Indenture of Trust dated as of January 1, 2016 by and between the same parties (collectively, the “Indenture”), providing for the issuance of the Bonds. The Bonds are being issued in the form of registered Bonds without coupons. Simultaneously with the issuance of the Bonds, the Successor Agency is also issuing bonds designated as “Successor Agency to the Redevelopment Agency of the City of San Diego Tax Allocation Refunding Bonds, Series 2017A” (the “Series 2017A Bonds”) that are payable from Pledged Tax Revenues on a parity with the Bonds. The Bonds and the 2017A Bonds are issued as Parity Debt under the Indenture on a parity with certain 2016 Bonds, as defined in the Indenture. Additional bonds or other obligations may be issued on a parity with the 2016 Bonds, the Bonds and the Series 2017A 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, to the Dissolution Act, to the Refunding Law and to the Law for a description of the terms on which the Bonds and the Series 2017A 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 Areas (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 Areas.

There has been created the Special Fund (as defined in the Indenture), which will be maintained by the Successor Agency, 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 2016 Bonds, the Bonds, the 2017A 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, the Dissolution Act, the Refunding Law 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 2016A Bonds, the Bonds, the Series 2017A Bonds and any additional Parity Debt (as defined in the Indenture). In addition and to the extent set forth in the Indenture, 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 2016A Bonds, the Bonds and the Series 2017A 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.

This Bond is not a debt, liability or obligation of the City of San Diego, the State of California, or any of its political subdivisions, and neither said City, 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 Redevelopment Agency of the City of San Diego has caused this Bond to be executed in its name and on its behalf with the manual or facsimile signature of the Chief Financial Officer of the City of San Diego and attested by the manual or facsimile signature of the City Clerk of the City of San Diego, all as of the Dated Date set forth above.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO

By: ____________________________________________
    Chief Financial Officer of the City of San Diego

ATTEST:

___________________________________________
City Clerk of the City of San Diego

TRUSTEE’S CERTIFICATE OF AUTHENTICATION

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

Authentication Date: ________________

U.S. BANK NATIONAL ASSOCIATION,
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:

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>TEN COM</td>
<td>as tenants in common</td>
</tr>
<tr>
<td>TEN ENT</td>
<td>as tenants by the entireties</td>
</tr>
<tr>
<td>JT TEN</td>
<td>as joint tenants with right of survivorship and not as tenants in common</td>
</tr>
<tr>
<td>COMM PROP</td>
<td>as community property</td>
</tr>
</tbody>
</table>

UNIF GIFT MIN ACT _______ Custodian _______ (Cust.) (Minor)

under Uniform Gifts to Minors Act __________ (State)

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 appoint(s) ___________________________________ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: __________________________

Signatures Guaranteed:

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

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

**TRUSTEE COMPENSATION TERMS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACCEPTANCE FEE per series</td>
<td>$750.00</td>
</tr>
<tr>
<td>This one-time charge is payable at the time of the closing and includes the review and execution of the Indenture and all documents submitted in support thereof, acceptance of the trust, establishment of procedures and controls and set-up of trust accounts.</td>
<td></td>
</tr>
<tr>
<td>ANNUAL ADMINISTRATION per series</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>The annual fee covers the duties and responsibilities related to account administration and bondholder services, which may include maintenance of accounts on various systems, collection and payment of principal and interest to bondholders, the preparation and distribution of any sinking fund redemption notices and the monitoring of issuer compliance. This fee is payable in advance for the year and shall not be prorated.</td>
<td></td>
</tr>
<tr>
<td>LEGAL COUNSEL FEE</td>
<td>$3,000.00</td>
</tr>
<tr>
<td>A charge covering the fees and expenses of Counsel for its services, including review of governing documents, communication with members of the closing party (including representatives of the issuer, investment banker(s), attorney(s), and U.S. Bank), attendance at meetings and the closing, and such other services as U.S. Bank may deem necessary. The Counsel fee will be the actual amount of the fees and expenses charged by Counsel and is payable at closing. Counsel fees will be capped at the above price.</td>
<td></td>
</tr>
<tr>
<td>ESCROW FEES (if required)</td>
<td>$500.00</td>
</tr>
<tr>
<td>This fee is paid in advance and covers the normal administrative functions of the escrow agent.</td>
<td></td>
</tr>
<tr>
<td>OUT-OF-POCKET EXPENSES</td>
<td>At cost, if any</td>
</tr>
<tr>
<td>Additional out-of-pocket expenses may include, but are not limited to, telephone, facsimile, courier, copying, postage, supplies; statutory filing charges including UCC amendments, continuations, and termination fees; and expenses of U.S. Bank’s representative(s) and Counsel for attending special meetings.</td>
<td></td>
</tr>
<tr>
<td>INVESTMENT per trade</td>
<td>$50.00</td>
</tr>
<tr>
<td>With respect to investments in money-market mutual funds for which U.S. Bank provides shareholder services, U.S. Bank (or its affiliates) may receive fees from the mutual funds (or their affiliates) for shareholder services as set forth in the Authorization and Direction of U.S. Bank to Invest Cash Balances in Money Market Mutual Funds.</td>
<td></td>
</tr>
<tr>
<td>OUT-OF-POCKET EXPENSES</td>
<td>At cost, if any</td>
</tr>
<tr>
<td>Additional out-of-pocket expenses may include, but are not limited to, telephone, facsimile, courier, copying, postage, supplies; statutory filing charges including UCC amendments, continuations, and termination fees; and expenses of U.S. Bank’s representative(s) and Counsel for attending special meetings.</td>
<td></td>
</tr>
</tbody>
</table>

D-1
ORDINANCE NUMBER O-__________________ (NEW SERIES)

DATE OF FINAL PASSAGE ______________

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO, ACTING IN ITS CAPACITY AS THE GOVERNING BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, (i) AUTHORIZING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS, (ii) APPROVING THE FORM OF A FIRST SUPPLEMENTAL INDENTURE OF TRUST, BOND PURCHASE AGREEMENT AND RELATED DOCUMENTS, AND (iii) AUTHORIZING CERTAIN RELATED ACTIONS.

WHEREAS, from its formation in 1958 until its elimination on February 1, 2012, the Redevelopment Agency of the City of San Diego (Former RDA) administered the implementation of various redevelopment projects, programs, and activities within designated areas throughout the City of San Diego; and

WHEREAS, the Former RDA 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 California Health and Safety Code (Code), and the powers of the Former Agency included the power to issue bonds and incur debt for any of its corporate purposes; and

WHEREAS, the City Council, acting as the Former RDA’s governing board, duly adopted, and in some instances amended, redevelopment plans (collectively, Redevelopment Plans) for each of the redevelopment project areas (collectively, Project Areas) in the City, now consolidated into fourteen Project Areas as a result of previous mergers, in compliance with all requirements of the Code; and

WHEREAS, from time to time, the Former RDA has issued tax allocation bonds and loans, including those bonds identified in Exhibit __ to Staff Report No. __________ (Staff
Report) accompanying this Ordinance (those bonds shown in Exhibit ___ are referred to herein as Refunded Bonds), and the Former RDA pledged a portion of its tax increment revenues from certain of the Project Areas as security for repayment of the Refunded Bonds; and

WHEREAS, the Former RDA dissolved as of February 1, 2012, in accordance with a deadline for elimination of all redevelopment agencies throughout California set forth in Assembly Bill x1 26 (AB 26), as modified by the California Supreme Court in California Redevelopment Assn. v. Matosantos, 53 Cal.4th 231 (2011); and

WHEREAS, pursuant to Resolution No. R-307238 adopted by the City Council effective January 12, 2012, the City of San Diego, solely in its capacity as the designated successor agency to the Former RDA (Successor Agency), elected to serve as the successor agency to the Former RDA; and

WHEREAS, at the time of the Former RDA’s dissolution on February 1, 2012, the Successor Agency became vested with all of the Former RDA’s authority, rights, powers, duties, and obligations under the Code, including, without limitation, the obligations of the Former Agency under the Refunded Bonds and the related documents to which the Former Agency was a party, and, by operation of law, received all assets, properties, contracts, leases, books and records, buildings, and equipment of the Former RDA; and

WHEREAS, the Successor Agency is winding down the Former RDA’s affairs in accordance with AB 26, enacted on June 28, 2011, Assembly Bill 1484, enacted on June 27, 2012, and subsequent legislation (collectively, the Dissolution Laws); and

WHEREAS, the Oversight Board has been formed to oversee certain actions and decisions of the Successor Agency in accordance with the Dissolution Laws; and
WHEREAS, the State of California Department of Finance (DOF) and other entities also possess certain rights and obligations under the Dissolution Laws with respect to the Successor Agency’s administration of the Former RDA’s operations; and

WHEREAS, Code Section 34177.5(a), enacted by AB 1484, authorizes each successor agency to refund outstanding bonds or other indebtedness of the former redevelopment agency 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 has previously refinanced a significant portion of bonded indebtedness of the Former Agency pursuant to its Ordinance No. O-20566 and that certain Indenture of Trust dated as of January 1, 2016 (the 2016 Indenture), by and between the Successor Agency and U.S. Bank National Association, providing for the issuance of the Successor Agency’s Tax Allocation Refunding Bonds, Series 2016A and Series 2016B (Federally Taxable) (collectively, the 2016 Bonds) in the aggregate principal amount of $175,185,000; and

WHEREAS, the Successor Agency desires to issue refunding bonds (collectively, Refunding Bonds), designated Tax Allocation Refunding Bonds, Series 2017A (2017A Bonds) and Tax Allocation Refunding Bonds, Series 2017B (Taxable) (2017B Bonds) for the purpose of refunding part or all of the Refunded Bonds and to achieve debt service savings; and
WHEREAS, the 2017A Bonds and 2017B Bonds shall be issued as Parity Debt under the 2016 Indenture pursuant to a First Supplemental Indenture of Trust described in this Ordinance; and

WHEREAS, the Refunding Bonds shall be issued in a principal amount not to exceed $260 million, allocated in each case between the 2017A Bonds and the 2017B Bonds in such amounts as shall be determined in accordance with this Ordinance; and

WHEREAS, the City Debt Policy (Debt Policy) addresses terms for refunding obligations such as the Refunding Bonds, and the issuance of the Refunding Bonds will comply with the Debt Policy; and

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

WHEREAS, the Successor Agency is authorized to undertake the actions described in this Ordinance pursuant to the Dissolution Laws and other applicable laws of the State of California; and

WHEREAS, Code section 34177.5(f) requires the Oversight Board and the DOF to approve the Successor Agency’s issuance of the Refunding Bonds; NOW, THEREFORE,

BE IT ORDAINED, by the City Council of the City of San Diego, acting in its capacity as the governing board of the Successor Agency, as follows:

Section 1. The Council hereby finds and determines that the statements set forth above in the recitals to this Ordinance are true and correct.

Section 2. Subject to the provisions of the Supplemental Indenture defined in Section 3 below and provided (and to the extent) the Oversight Board and the DOF approve the Successor Agency’s issuance of the Refunding Bonds, the issuance of the Refunding Bonds in
the aggregate principal amount not to exceed Two Hundred Sixty Million Dollars ($260,000,000) on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture, is hereby authorized and approved. The Refunding Bonds shall be allocated between the 2017A Bonds and 2017B Bonds in such amount as is determined by the Chief Financial Officer to provide for the efficient refinancing of the Refunded Bonds, or any of them, in a manner consistent with applicable federal tax principles as determined by the Chief Financial Officer in consultation with Bond Counsel (designated below). The Refunding 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 Supplemental Indenture (defined in Section 3), as the same will be completed as provided in this Ordinance. The proceeds of the sale of the Refunding Bonds shall be applied as provided in the Supplemental Indenture. The Refunding 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 (Bond Law) and the Dissolution Laws, specifically including Code section 34177.5. The approval of the issuance of the Refunding Bonds by the Successor Agency, the Oversight Board, and the DOF shall constitute the approval of each and every separate series of Refunding Bonds. The Successor Agency hereby determines that the interest on the 2017B Bonds is intended to be subject to all applicable federal income taxation without regard to any exemption under Section 103 of the Internal Revenue Code of 1986. Notwithstanding the foregoing approval, prior to the issuance of the Refunding Bonds there shall first be presented to the Disclosure Practices Working Group and this Council for approval a form of preliminary official statement for the Refunding Bonds being sold pursuant to a public offering.
Section 3. The First Supplemental Indenture of Trust, in substantially the form on file in the Office of the City Clerk as Document No. OO-_________ (Supplemental Indenture), is hereby approved. Collectively, the 2016 Indenture and the Supplemental Indenture are sometimes referred to in this Ordinance as the Indenture. The following officials of the City of San Diego (individually, an Authorized Signatory; collectively, the Authorized Signatories), are each hereby authorized and directed, acting individually, to execute and deliver the Supplemental Indenture with such changes and additions therein as such Authorized Signatory shall determine are necessary or desirable and in the best interest of the Successor Agency and as are approved as to form by the City Attorney or his specified designee, such approvals to be conclusively evidenced by the execution and delivery thereof: the Mayor, the Chief Financial Officer and the Chief Operating Officer. Without limiting the generality of the foregoing, in the event the Chief Financial Officer determines in consultation with the Municipal Advisor (defined below) and Bond Counsel that all or a portion of the Refunded Bonds shall not be refinanced as a part of or concurrently with the Refunding Bonds of a series 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 such Refunded Bonds not refinanced and in such other respects as the Chief Financial Officer shall deem necessary or appropriate under the circumstances.

Section 4. The Council 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 Refunding 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 a financial advisor (Municipal Advisor) in developing financing
proposals and the Successor Agency shall make the work product of the Municipal Advisor available to the DOF at its request under the provisions of Code section 34177.5(h).

Section 5. The 2017A Bonds and the 2017B Bonds shall be sold by negotiated sale pursuant to the Bond Purchase Agreement between the Successor Agency, and Stifel, Nicolaus & Company, Incorporated (Stifel) as senior manager, and Citigroup Global Markets, Inc. (Citigroup) as co-senior manager with respect to the Refunding Bonds, acting on behalf of themselves and other participating underwriters, namely, Raymond James Financial, Inc., Morgan Stanley, Mesirow Financial Holdings, Inc. and William Blair & Company, L.L.C., in substantially the form on file in the Office of the City Clerk as Document Nos. OO-_________ and OO-_________, and the same is hereby approved. The Authorized Signatories and any of them are each hereby authorized and directed to execute and deliver the Bond Purchase Agreement, with such changes and additions therein as such Authorized Signatory shall determine are necessary or desirable and in the best interest of the Successor Agency and as are approved as to form by the City Attorney or his specified designee, such approvals to be conclusively evidenced by the execution and delivery thereof; provided, however, that the Bond Purchase Agreement shall be signed only if the terms of the agreement are such that (i) the total interest cost to maturity on the Refunding Bonds plus the principal amount of the Refunding Bonds shall not exceed the total remaining interest cost to maturity on the Refunded Bonds to be refunded plus the remaining principal of the Refunded Bonds to be refunded, (ii) the principal amount of the Refunding Bonds shall not exceed the amount required to defease the Refunded Bonds to be refunded, to establish customary debt service reserves, and to pay related costs of issuance, and (iii) aggregate net present value savings from the issuance of the Refunding Bonds, expressed as a percentage of the par amount of the Refunded Bonds, shall be at least 3% in the
aggregate for Refunding Bonds attributable to a current refunding (as such term is defined in the Debt Policy) and 4% in the aggregate in the case of any Refunding Bonds which are attributable to an advance refunding (as such term is defined in the Debt Policy) and for each separate issue of Refunded Bonds, as determined by the Chief Financial Officer in consultation with the Municipal Advisor, which determination shall be final and conclusive; provided, however, savings for an individual prior issue of Refunded Bonds may be less than the amount described above if the Chief Financial Officer determines pursuant to the Debt Policy that the debt restructuring of any individual issue of Refunded Bonds included in the 2017A Bonds, 2017B Bonds is in the City’s overall best financial interest. Any such determination of the Chief Financial Officer shall be final and conclusive.

Section 6. The Escrow Agreement for each issue of Refunded Bonds in substantially the form on file in the Office of the City Clerk as Document No. OO-_________ is hereby approved. The Authorized Signatories and any of them are each hereby authorized and directed to execute and deliver the Escrow Agreements for each of the Refunded Bonds, with such changes, insertions and omissions to reflect the individual issues of Refunded Bonds addressed by each instrument and otherwise with such changes and additions therein as such Authorized Signatory shall determine are necessary or desirable and in the best interest of the Successor Agency and as are approved as to form by the City Attorney or his specified designee, such approvals to be conclusively evidenced by the execution and delivery thereof.

Section 7. The form and content of the Continuing Disclosure Certificate on file in the Office of the City Clerk as Document No. OO-_________, are hereby authorized and approved. The Authorized Signatories and any of them are each hereby authorized and directed to execute and deliver one or more Continuing Disclosure Certificates in connection with the
purchase and sale of the Refunding Bonds, with such changes, insertions and omissions therein as such Authorized Signatory shall determine are necessary or desirable and in the best interest of the Successor Agency and as are approved as to form by the City Attorney or his specified designee, such approvals to be conclusively evidenced by the execution and delivery thereof.

Section 8. The Authorized Signatories, acting singly, are and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments relating to the Refunding 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 Agreement, the Continuing Disclosure Certificate, the Escrow Agreements, this Ordinance, and any such agreements.

Section 9. The Chief Financial Officer, acting in consultation with the Municipal Advisor, 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 (each 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/or surety bond from the proceeds of the Refunding Bonds and to approve changes to the Indenture to the extent necessary to conform to the terms of the Commitments.

Section 10. The City Attorney or his specified designee is authorized to retain Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel and Disclosure Counsel for the Successor Agency in connection with the issuance of the Refunding Bonds under such contracts or other arrangements as the City Attorney or his specified designee shall approve and believes to be in the best interests of the Successor Agency. Such contracts or other
arrangements, including reasonable out-of-pocket expenses, shall be in an amount not to exceed $250,000 for the first issue of Refunding Bonds.

Section 11. The source of revenue for payment of the Refunding Bonds is the Pledged Tax Revenues to be received by the Successor Agency under and as defined in the Indenture.

Section 12. Authorized Signatories of the Successor Agency and their specified designees are hereby authorized and directed to pay all the fees and other costs of issuance of the Refunding Bonds in accordance with the Indenture, the Bond Purchase Agreement and as otherwise agreed with the Successor Agency and the respective parties thereto.

Section 13. All actions heretofore taken by any officers, employees or agents of the Successor Agency with respect to the issuance, delivery or sale of the Refunding Bonds, or in connection with or related to any of the financing documents or of the other documents referenced herein or related to consummating the refinancing contemplated by this Ordinance, are hereby approved, confirmed and ratified. Any Authorized Signatory and any other officers, employees or agents of the Successor Agency as may be duly authorized by the Chief Financial Officer, and each of them acting alone, is hereby severally authorized and directed, for and in the name and on behalf of the Successor Agency: (i) to do any and all things and take any and all actions, from time to time, consistent with this Ordinance, the Indenture and the other documents authorized by this Ordinance including, without limitation, the payment of necessary and appropriate fees and expenses of Bond Counsel, Disclosure Counsel, Municipal Advisor, Fiscal Consultant and other services retained by the Successor Agency; and (ii) to execute and deliver any and all certificates, agreements, instructions and other documents (including, without limitation, a tax compliance certificate) required pursuant to the terms of the Bond Purchase Agreement or any other financing document, or which they, or any of them, may deem necessary.
or advisable in order to consummate the lawful issuance and delivery of the Refunding Bonds and the disbursement of proceeds thereof in accordance with this Ordinance and to consummate the transactions authorized hereby and evidenced by the financing documents. Without limiting the generality of the foregoing, the Chief Financial Officer is hereby authorized to establish one or more special interest bearing account(s) for the proceeds of the Refunding Bonds. In addition, each Authorized Signatory is hereby authorized to approve additions and changes to the financing documents and the other documents authorized by this Ordinance (including, but not limited to, establishing the redemption provisions of the Refunding Bonds), which additions and changes the Authorized Signatory shall believe, with the advice of the Municipal Advisor, to be in the best interest of the Successor Agency in light of the financing costs and credit and market conditions, such determination shall be conclusively evidenced by the execution and delivery of such financing documents and other documents by the Successor Agency; and provided further that no such addition or changes may be inconsistent with limitations in Sections 2 through 5 hereof, inclusive.

Section 14. A full reading of this Ordinance is dispensed with prior to its passage, a written copy having been made available to the Council and the public prior to the day of its passage.

Section 15. This Ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

APPROVED: JAN I. GOLDSMITH, City Attorney

By Brant Will
Deputy City Attorney

BCW:jdf
I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of __________.

ELIZABETH S. MALAND
City Clerk

By __________________________
Deputy City Clerk

Approved: ________________
(date) KEVIN L. FAULCONER, Mayor

Vetoed: ________________
(date) KEVIN L. FAULCONER, Mayor
Exhibit C

Financial Advisor Work Product – CSG Advisors Inc. Memorandum

(Attachment A – Bond Cash Flows Available Upon Request)
MEMORANDUM

To: Oversight Board to the Successor Agency to the Redevelopment Agency of the City of San Diego

Date: October 17, 2016

From: Scott Smith, CSG Advisors Incorporated, Financial Advisor to the Successor Agency to the Redevelopment Agency of the City of San Diego


Background

Purpose of this Report. CSG Advisors Incorporated (CSG) is an Independent Registered Municipal Advisor (IRMA) registered with both the Securities & Exchange Commission and the Municipal Securities Rulemaking Board. CSG has significant experience with tax increment financing, including post-Redevelopment Dissolution refinancing in California. The Successor Agency to the Redevelopment Agency of the City of San Diego (the Successor Agency) has requested that CSG prepare this Financial Advisor Work Product in conforming with California Health & Safety Code Section 34177.5(h) of the Redevelopment Dissolution Act (the Work Product). This Work Product summarizes the potential savings that will accrue to the Successor Agency and applicable taxing entities as a result of the issuance of the proposed Tax Allocation Refunding Bonds, Series 2017A and Series 2017B (Federally Taxable) (collectively, the 2017 Bonds) as described below. The 2017 Bonds are proposed to refund up to thirteen outstanding bond obligations of the Successor Agency and the following discussion summarizes how the issuance of the 2017 Bonds meets the applicable requirements of the Dissolution Act.

Dissolution Act; Successor Agency. On June 28, 2011, the California Legislature adopted ABx1 26 (the Dissolution Act), which provided for the dissolution of all redevelopment agencies and was subsequently upheld by the California Supreme Court. As a result of the Dissolution Act, all redevelopment agencies in the State were dissolved as of February 1, 2012, including the Redevelopment Agency of the City of San Diego (the Prior Agency). On that date, the powers, assets, and obligations of the Prior Agency were transferred to the Successor Agency and the Successor Agency was designated as the successor to the Prior Agency to expeditiously wind down its affairs. The Dissolution Act was subsequently amended, pursuant to AB 1484, to permit the refinancing of continuing enforceable obligations of the Successor Agency under certain conditions summarized below.

Applicable Power to Issue Bonds under the Dissolution Act – Section 34177.5(a)(1) of the Health & Safety Code, which was added to the Dissolution Act by AB 1484, authorizes a successor agency to issue bonds of the successor agency to provide savings to the successor agency, provided that:

(A) The total interest cost plus the principal amount to maturity on the refunding bonds shall not exceed the total remaining interest cost and principal to maturity on the bonds to be refunded; and

(B) the principal amount of the refunding bonds shall not exceed the amount required to defease the refunded bonds, to establish customary debt service reserves and to pay related costs of issuance.

Further Requirements - Section 34177.5(h) further requires the Successor Agency to:

(A) make diligent efforts to ensure that the lowest long-term cost financing is obtained;
Debt Service Savings Analysis, Proposed 2017 Bonds
Successor Agency to the Redevelopment Agency of the City of San Diego
Page 2 of 7

(B) ensure the financing does not provide for any bullets or spikes and shall not use variable rates;

(C) make use of an independent financial advisor in developing financing proposals; and

(D) make available the work products of the financial advisor to the Department of Finance at its request.

Pledge of Tax Increment Revenues. As the Oversight Board is aware, in January 2016, the Successor Agency issued Tax Allocation Refunding Bonds Series 2016A and 2016B (Federally Taxable) (collectively, the 2016 Bonds), which refunded twenty-two prior bond obligations of the Successor Agency. The 2016 Bonds were issued based on a pledge of revenues in accordance with the Dissolution Act described as follows:

Under Section 34177.5(g) – Any bonds authorized by this section shall be considered indebtedness incurred by the dissolved redevelopment agency, with the same legal effect as if the bonds had been issued, incurred, or entered into prior to June 29, 2011, in full conformity with the applicable provisions of the Community Redevelopment Law that existed prior to that date, shall be included in the successor agency’s Recognized Obligation Payment Schedule, and shall be secured by a pledge of, and lien on, and shall be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund (the RPTTF) established pursuant to the Dissolution Act (the RPTTF Pledge).

The 2017 Bonds will be issued on a parity basis (i.e., same payment priority) as the 2016 Bonds under the same RPTTF Pledge.

Pledged Tax Revenues of the Successor Agency are derived from fourteen separate Project Areas (each a Project Area and collectively, the Project Areas) listed below:

1. Barrio Logan Redevelopment Project;
2. Centre City Redevelopment Project (which consists of the merger of the Columbia Redevelopment Project, Marina Redevelopment Project, San Diego Gaslamp Quarter Redevelopment Project, and the original area plus additional territory added to the Centre City Redevelopment Project);
3. City Heights Redevelopment Project;
4. College Community Redevelopment Project;
5. College Grove Redevelopment Project;
6. Crossroads Redevelopment Project;
7. Grantville Redevelopment Project;
8. Horton Plaza Redevelopment Project;
9. Linda Vista Shopping Center Redevelopment Project;
10. Naval Training Center Redevelopment Project;
11. North Bay Redevelopment Project;
12. North Park Redevelopment Project;
13. San Ysidro Redevelopment Project; and
Debt Service Savings Analysis, Proposed 2017 Bonds
Successor Agency to the Redevelopment Agency of the City of San Diego
Page 3 of 7

14. Southeastern San Diego Merged Project Area (which consists of the merger of the Central Imperial Redevelopment Project, Gateway Center West Redevelopment Project, previously the Dells Redevelopment Project, Mount Hope Redevelopment Project, and Southcrest Redevelopment Project).

The total acreage contained within the Project Areas is 10,225 acres. Project area assessed values for FY 2016-17 total $26.9 billion and the incremental valuation is $22.3 billion (or 83% of total assessed valuation). Based on estimates of the Fiscal Consultant, Keyser Marston Associates, Gross Tax Increment for FY 2016-17 is $217.3 million, and Pledged Tax Revenues (after payment of Senior Obligations and Prior Agreements) are estimated at $194.7 million.

2017 Plan of Finance. As of the date of this report, the Successor Agency intends to refund for savings the following outstanding obligations (the Prior Bonds):

<table>
<thead>
<tr>
<th>Bond Issuance Date</th>
<th>Prior Issuance</th>
<th>Initial Issuance Par Amount</th>
<th>Par Amount Currently Outstanding</th>
<th>Redemption Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 6/22/06</td>
<td>Centre City Redevelopment Project Subordinate Tax Allocation Bonds, Series 2006A</td>
<td>$76,225,000</td>
<td>$56,000,000</td>
<td>Closing Date</td>
</tr>
<tr>
<td>2 6/22/06</td>
<td>Centre City Redevelopment Project Tax Allocation Housing Bonds, Series 2006B (Taxable)</td>
<td>33,760,000</td>
<td>26,280,000</td>
<td>Closing Date</td>
</tr>
<tr>
<td>3 7/12/07</td>
<td>Public Facilities Financing Authority of the City of San Diego, California Pooled Financing Bonds, 2007 Series A (Taxable) (Southcrest, Central Imperial and Mount Hope Redevelopment Projects)</td>
<td>17,230,000</td>
<td>12,635,000</td>
<td>10/1/17</td>
</tr>
<tr>
<td>4* 7/12/07</td>
<td>Public Facilities Financing Authority of the City of San Diego, California Pooled Financing Bonds, 2007 Series B (Tax-Exempt) (Southcrest and Central Imperial Redevelopment Projects)</td>
<td>17,755,000</td>
<td>13,790,000</td>
<td>10/1/17</td>
</tr>
<tr>
<td>5 6/5/08</td>
<td>Centre City Redevelopment Project Tax Allocation Housing Bonds, Series 2008A (Taxable)</td>
<td>69,000,000</td>
<td>28,100,000</td>
<td>9/1/17</td>
</tr>
<tr>
<td>6* 7/30/09</td>
<td>North Park Redevelopment Project Subordinate Tax Allocation Bonds, Series 2009A</td>
<td>13,930,000</td>
<td>13,930,000</td>
<td>11/1/19</td>
</tr>
<tr>
<td>7 8/26/10</td>
<td>City Heights Redevelopment Project Tax Allocation Bonds, 2010 Series A (Tax Exempt)</td>
<td>5,635,000</td>
<td>5,635,000</td>
<td>9/1/20</td>
</tr>
<tr>
<td>8* 8/26/10</td>
<td>City Heights Redevelopment Project Tax Allocation Bonds, 2010 Series B (Taxable)</td>
<td>9,590,000</td>
<td>9,590,000</td>
<td>9/1/20</td>
</tr>
<tr>
<td>9* 8/26/10</td>
<td>Crossroads Redevelopment Project Tax Allocation Bonds, 2010 Series A</td>
<td>4,915,000</td>
<td>4,600,000</td>
<td>9/1/20</td>
</tr>
<tr>
<td>10 8/26/10</td>
<td>Naval Training Center Redevelopment Project Tax Allocation Bonds, 2010 Series A</td>
<td>19,765,000</td>
<td>17,675,000</td>
<td>9/1/20</td>
</tr>
<tr>
<td>11* 8/26/10</td>
<td>San Ysidro Redevelopment Project Tax Allocation Bonds, 2010 Series A (Tax-Exempt)</td>
<td>2,900,000</td>
<td>2,900,000</td>
<td>9/1/20</td>
</tr>
<tr>
<td>12 8/26/10</td>
<td>San Ysidro Redevelopment Project Tax Allocation Bonds, 2010 Series B (Taxable)</td>
<td>5,030,000</td>
<td>4,400,000</td>
<td>9/1/20</td>
</tr>
<tr>
<td>13 8/26/10</td>
<td>Housing Set-Aside Tax Allocation Bonds, 2010 Series A Taxable</td>
<td>58,565,000</td>
<td>56,590,000</td>
<td>9/1/20</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td><strong>$334,300,000</strong></td>
<td><strong>$252,125,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

* Pursuant to review and recommendation of Bond Counsel, some or all of the tax exempt bond series indicated may be refunded on a taxable basis.

The Successor Agency has considered the refinancing of the Prior Bonds with the primary objective to maximize savings. The Successor Agency engaged in a competitive process and appointed Stifel Nicolaus & Co. (Stifel) and Citigroup as Co-Senior Managers of the Underwriting team; William Blair & Co., Raymond James, Mesirow Financial, and Morgan Stanley have been appointed Co-Managers for the issuance. Stifel, with review by Successor Agency staff and CSG, has provided financial analysis attached as Attachment A, which demonstrates that assuming current interest rates, the Prior Bonds could be refunded with significant savings. The optimal approach to achieve such savings is to issue the 2017 Bonds on parity with the 2016 Bonds, and to further secure the 2017 Bonds with a reserve fund surety policy. CSG, as Financial Advisor to the Successor Agency, concurs with this approach. The use of the RPTTF Pledge significantly improves credit quality as relates to each of the Prior Bond series based on how rating agencies and prospective investors evaluate such tax allocation bond obligations. This is because each series refunded under the RPTTF Pledge now benefits from revenues of all the Project Areas of the Successor Agency in the unlikely event of revenue shortfalls that could befall a prior series under its existing pledge of Project Area-specific tax increment revenues. The refunding on a parity basis also eases administrative burden related to managing the ROPS process, ensuring timely payment on the Successor Agency’s bond obligations and providing continuing disclosure to bondholders.
Overview of Refunding Savings

Refunding Economics. The refunding of each series of Prior Bonds is intended to meet the savings parameters required under the Dissolution Act, which is that in each case the total principal and interest of the allocable share of the 2017 Bonds is less than the total principal and interest of the respective series of Prior Bonds (the Savings Parameters). Further, the proceeds of the 2017 Bonds are used only to pay off the Prior Bonds, to obtain a reserve fund surety policy, and pay costs of issuance.

A preliminary refunding analysis prepared by Stifel based on municipal market conditions as of September 1, 2016 is attached as Attachment A. In this analysis, the 2017 Bonds are assumed to close on January 26, 2017. Additional key assumptions are that the 2017 Bonds will achieve a rating of “AA-” or higher rating from Standard & Poor’s and will qualify for a reserve fund surety. The reserve fund surety cost is assumed to be 2.00% of the reserve fund requirement (which is based on the lesser of (a) maximum annual debt service, (b) 125% of average annual debt service, or (c) 10% of the Par Amount).

Table 2 summarizes the estimated Sources and Uses of Funds for the 2017 Bonds.

<table>
<thead>
<tr>
<th>Sources of Funds:</th>
<th>Series 2017A Tax Exempt</th>
<th>Series 2017B Taxable</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Proceeds:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Par Amount</td>
<td>$57,930,000.00</td>
<td>$177,945,000.00</td>
<td>$235,875,000.00</td>
</tr>
<tr>
<td>Net Premium/OID</td>
<td>10,640,532.35</td>
<td>(172,959.85)</td>
<td>10,467,572.50</td>
</tr>
<tr>
<td>Other Sources of Funds:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior DSRF</td>
<td>7,878,073.96</td>
<td>23,063,139.76</td>
<td>30,941,213.72</td>
</tr>
<tr>
<td>ROPS on Hand</td>
<td>1,836,053.13</td>
<td>5,962,059.15</td>
<td>7,798,112.28</td>
</tr>
<tr>
<td></td>
<td>9,714,127.09</td>
<td>29,025,198.91</td>
<td>38,739,326.00</td>
</tr>
<tr>
<td>Total Sources</td>
<td>$78,284,659.44</td>
<td>$206,797,239.06</td>
<td>$285,081,898.50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Uses of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refunding Escrow Deposits:</td>
</tr>
<tr>
<td>Cash Deposit</td>
</tr>
<tr>
<td>SLGS Purchases</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Delivery Date Expenses:</td>
</tr>
<tr>
<td>Cost of Issuance</td>
</tr>
<tr>
<td>Underwriter's Discount</td>
</tr>
<tr>
<td>Reserve Surety (2.0%)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Other Uses of Funds:</td>
</tr>
<tr>
<td>Additional Proceeds</td>
</tr>
<tr>
<td>Total Uses</td>
</tr>
</tbody>
</table>

Source: Stifel, Nicolaus & Co. estimates based on Market Conditions on September 1, 2016. See Attachment A.
Table 3 summarizes key bond refunding savings statistics for the 2017 Bonds both by series and in aggregate.

<table>
<thead>
<tr>
<th>Table 3 Estimated Refunding Savings Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Allocated Refunding Par Amount</strong></td>
</tr>
<tr>
<td>---------------------------------</td>
</tr>
<tr>
<td>1 Centre City Subordinate Series 2006A</td>
</tr>
<tr>
<td>2 Centre City Housing Bonds, Series 2006B (Taxable)</td>
</tr>
<tr>
<td>3 Southeastern, 2007 Series A (Taxable)</td>
</tr>
<tr>
<td>4A* Southeastern, 2007 Series B (Tax-Exempt) [5]</td>
</tr>
<tr>
<td>4B* Southeastern, 2007 Series B (Tax-Exempt) [5]</td>
</tr>
<tr>
<td>5 Centre City Housing Bonds, Series 2008A (Taxable)</td>
</tr>
<tr>
<td>6* North Park Subordinate Series 2009A</td>
</tr>
<tr>
<td>7 City Heights 2010 Series A (Tax Exempt)</td>
</tr>
<tr>
<td>8* City Heights 2010 Series B (Taxable)</td>
</tr>
<tr>
<td>9* Crossroads 2010 Series A</td>
</tr>
<tr>
<td>10 Naval Training Center 2010 Series A</td>
</tr>
<tr>
<td>11* San Ysidro 2010 Series A (Tax-Exempt)</td>
</tr>
<tr>
<td>12 San Ysidro 2010 Series B (Taxable)</td>
</tr>
<tr>
<td>13 Housing Set-Aside Bonds 2010 Series A Taxable</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Source: Stifel, Nicolaus & Co. estimates based on Market Conditions on September 1, 2016. See Attachment A.

* Assumed to be issued on a taxable basis per recommendation of Bond Counsel.

[1] Prior Bond Rate = Average Coupon of Refunded Bond Series
[2] New Bond Rate = All-in True Interest Cost allocable to each Refunded Bond Series
[4] Percentage Savings = NPV Savings divided by Refunded Par Amount
[5] Approximately 55% of the Southeastern 2007B Bonds were advance refunded previously and must be refunded on a taxable basis. The remainder bonds under the current analysis are assumed also to be refunded on a taxable basis, but are still under Bond Counsel review.

Table 4 summarizes the total principal, interest and other sources of funds to pay the Prior Bonds compared to the estimated principal and interest for the 2017 Bonds for each series and in aggregate.

<table>
<thead>
<tr>
<th>Table 4 Estimated Debt Service Comparison</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Principal &amp; Interest Due on Prior Bonds</strong></td>
</tr>
<tr>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>1 Centre City Subordinate Series 2006A</td>
</tr>
<tr>
<td>2 Centre City Housing Bonds, Series 2006B (Taxable)</td>
</tr>
<tr>
<td>3 Southeastern, 2007 Series A (Taxable)</td>
</tr>
<tr>
<td>4A* Southeastern, 2007 Series B (Tax-Exempt) [5]</td>
</tr>
<tr>
<td>4B* Southeastern, 2007 Series B (Tax-Exempt) [5]</td>
</tr>
<tr>
<td>5 Centre City Housing Bonds, Series 2008A (Taxable)</td>
</tr>
<tr>
<td>6* North Park Subordinate Series 2009A</td>
</tr>
<tr>
<td>7 City Heights 2010 Series A (Tax Exempt)</td>
</tr>
<tr>
<td>8* City Heights 2010 Series B (Taxable)</td>
</tr>
<tr>
<td>9* Crossroads 2010 Series A</td>
</tr>
<tr>
<td>10 Naval Training Center 2010 Series A</td>
</tr>
<tr>
<td>11* San Ysidro 2010 Series A (Tax-Exempt)</td>
</tr>
<tr>
<td>12 San Ysidro 2010 Series B (Taxable)</td>
</tr>
<tr>
<td>13 Housing Set-Aside Bonds 2010 Series A Taxable</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Source: Stifel, Nicolaus & Co. estimates based on Market Conditions on September 1, 2016. See Attachment A.

* Assumed to be issued on a taxable basis per recommendation of Bond Counsel.
Table 5 summarizes the estimated annual savings per year on a gross basis in the aggregate.

Table 5
Estimated Gross Annual Debt Service Savings

![Graph showing estimated gross annual debt service savings](image)

Average annual gross savings = $4.3 million

Table 6 provides an allocation of estimated net present value savings in the aggregate by taxing entity.

Table 6
Allocation of Aggregate Net Present Value Savings by Tax Entity

<table>
<thead>
<tr>
<th>Taxing Entity</th>
<th>Approx. % Share</th>
<th>Net Present Value Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>K-12 Schools</td>
<td>44.60%</td>
<td>21,645,718</td>
</tr>
<tr>
<td>City of San Diego</td>
<td>17.51%</td>
<td>8,498,128</td>
</tr>
<tr>
<td>County</td>
<td>15.62%</td>
<td>7,580,855</td>
</tr>
<tr>
<td>ERAF</td>
<td>14.12%</td>
<td>6,852,860</td>
</tr>
<tr>
<td>Community College District</td>
<td>6.40%</td>
<td>3,106,112</td>
</tr>
<tr>
<td>Other</td>
<td>1.75%</td>
<td>849,328</td>
</tr>
<tr>
<td>Total</td>
<td>100.00%</td>
<td>48,533,000</td>
</tr>
</tbody>
</table>
Compliance with Refunding Requirements under the Dissolution Act.

The following table provides a summary of how the proposed financing meets the requirements of the Dissolution Act as follows:

<table>
<thead>
<tr>
<th>Refunding Requirement under Dissolution Act</th>
<th>Compliance Discussion</th>
</tr>
</thead>
<tbody>
<tr>
<td>34177.5(a)(1)(A). The total interest cost plus the principal amount to maturity on the refunding bonds shall not exceed the total remaining interest cost and principal to maturity on the bonds to be refunded</td>
<td>Table 4 demonstrates that for each series of Prior Bonds to be refunded and in aggregate that the allocated 2017 Bond debt service is less than Prior Bond debt service.</td>
</tr>
<tr>
<td>Section 34177.5(a)(1)(B). The principal amount of the refunding bonds shall not exceed the amount required to defease the refunded bonds, to establish customary debt service reserves and to pay related costs of issuance.</td>
<td>Table 2 demonstrates that proceeds of the 2017 Bonds are used only defease the Prior Bonds, pay costs of issuance, and fund reserve fund surety.</td>
</tr>
<tr>
<td>Section 34177.5(h) requires the Successor Agency to make diligent efforts to ensure that the lowest long-term cost financing is obtained.</td>
<td>In order to achieve the lowest long-term cost of financing, the 2017 Bonds are secured by an RPTTF Pledge of former tax increment revenues on parity with the Successor Agency’s 2016 Bonds subordinate to certain remaining bond and other obligations. The approach significantly improves debt service coverage, improves credit quality, and allows the Successor Agency to seek cost effective credit enhancement (i.e., a reserve fund surety).</td>
</tr>
<tr>
<td>Section 34177.5(h) states that the financing shall not provide for any bullets or spikes and shall not use variable rates.</td>
<td>The 2017 Bonds are structured to produce substantially level annual savings relative to debt service of each series of Prior Bonds. Interest rates are fixed to their maturity dates.</td>
</tr>
<tr>
<td>Section 34177.5(h) further requires the Successor Agency to use an independent financial advisor in developing financing proposals and make the work products of the financial advisor available to the Department of Finance at its request.</td>
<td>The Successor Agency retained CSG Advisors Incorporated to serve as financial advisor to the Successor Agency. CSG has reviewed the financial analysis prepared by Stifel and confirm that it represents the optimal approach to achieve savings for the Successor Agency as it pursues refinancing at this time. Finally, CSG has prepared this memo for the DOF and can provide additional information upon DOF request.</td>
</tr>
</tbody>
</table>

Please do not hesitate to contact our office should you have any questions or require additional information.

ATTACHMENT A – Bond Cash Flows prepared by Stifel based on Market Conditions as of September 1, 2016.

cc: Lakshmi Kommi, Director, Debt Management, City of San Diego
    E. Kurt Yeager, Esq., Stradling, Yocca, Carlson & Rauth, Bond Counsel to the Successor Agency
    Ralph Holmes, Co-Senior Manager of Underwriting Team, Stifel, Nicolaus & Co. Inc.
OVERSIGHT BOARD RESOLUTION NUMBER OB-2016-15

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN DIEGO REDEVELOPMENT SUCCESSOR AGENCY APPROVING THE SUCCESSOR AGENCY’S ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS AND CERTAIN OTHER RELATED ACTIONS.

WHEREAS, from its formation in 1958 until its elimination on February 1, 2012, the former Redevelopment Agency of the City of San Diego (Former RDA) administered the implementation of various redevelopment projects, programs, and activities within designated areas throughout the City of San Diego; and

WHEREAS, the Former RDA 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 California Health and Safety Code) (Code), and the powers of the Former RDA included the power to issue bonds for any of its corporate purposes; and

WHEREAS, the Council of the City of San Diego, acting as the Former RDA’s legislative body, duly adopted, and in some instances amended, redevelopment plans (collectively, Redevelopment Plans) for each of the eighteen redevelopment project areas (collectively, Project Areas) in the City of San Diego (City), now consolidated into fourteen Project Areas as a result of previous mergers, in compliance with all requirements of the Code; and

WHEREAS, from time to time, the Former RDA has previously issued its tax allocation bonds identified in Exhibit A attached to this Resolution and incorporated into this Resolution by reference (collectively, Refunded Bonds), and the Former RDA pledged a portion of its tax
increment revenues from certain of the Project Areas as the security for repayment of the Refunded Bonds; and

WHEREAS, the Former RDA dissolved on February 1, 2012, in accordance with a deadline for elimination of all redevelopment agencies throughout California set forth in Assembly Bill x1 26 (AB 26), as modified by the California Supreme Court in California Redevelopment Assn. v. Matosantos, 53 Cal.4th 231 (2011); and

WHEREAS, pursuant to Resolution No. R-307238 adopted by the Council of the City of San Diego effective January 12, 2012, the City of San Diego, solely in its capacity as the designated successor agency to the Former RDA (Successor Agency), elected to serve as the successor agency to the Former RDA; and

WHEREAS, at the time of the Former RDA’s dissolution on February 1, 2012, the Successor Agency became vested with all of the Former RDA’s authority, rights, powers, duties, and obligations under the Code, including, without limitation, the obligations of the Former RDA under the Refunded Bonds and the related documents to which the Former RDA was a party, and, by operation of law, received all assets, properties, contracts, leases, books and records, buildings, and equipment of the Former RDA; and

WHEREAS, the Successor Agency is winding down the Former RDA’s affairs in accordance with AB 26, enacted on June 28, 2011, Assembly Bill 1484 (AB 1484), enacted on June 27, 2012, and subsequent related legislation (collectively, the Dissolution Laws); and

WHEREAS, the Oversight Board has been formed to oversee certain actions and decisions of the Successor Agency in accordance with the Dissolution Laws; and
WHEREAS, the California Department of Finance (DOF) and other entities also possess certain rights and obligations under the Dissolution Laws with respect to the Successor Agency’s administration of the Former RDA’s operations; and

WHEREAS, Code section 34177.5(a) authorizes the Successor Agency to refund outstanding bonds or other indebtedness of the Former RDA, 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 (collectively, Refunding Test); and

WHEREAS, the Successor Agency has previously refinanced a significant portion of bonded indebtedness of the Former RDA pursuant to its Ordinance No. O-20566 and that certain Indenture of Trust dated as of January 1, 2016 (2016 Indenture), by and between the Successor Agency and U.S. Bank National Association, providing for the issuance of the Successor Agency’s Tax Allocation Refunding Bonds, Series 2016A and Series 2016B (Federally Taxable) (collectively, 2016 Bonds) in the aggregate principal amount of $175,185,000; and

WHEREAS, the Successor Agency desires to issue separate series of refunding bonds (collectively, Refunding Bonds), designated Tax Allocation Refunding Bonds, Series 2017A (2017A Bonds) and Tax Allocation Refunding Bonds Series 2017B (Taxable) (2017B Bonds) for the purpose of refunding part or all of the Refunded Bonds and achieving debt service savings; and
WHEREAS, the Successor Agency introduced an Ordinance on September 19, 2016 (Successor Agency Ordinance), for the purpose of approving all matters relating to the issuance and sale of the Refunding Bonds; and

WHEREAS, thirty (30) days after Successor Agency adoption of the Successor Agency Ordinance in substantially the form introduced on September 19, 2016, the Successor Agency Ordinance will become effective in accordance with its terms; and

WHEREAS, the 2017A Bonds and 2017B Bonds shall be issued as Parity Debt under the 2016 Indenture pursuant to a First Supplemental Indenture of Trust described in Section 3 of the Successor Agency Ordinance; and

WHEREAS, the Refunding Bonds shall be issued in a principal amount not to exceed $260,000,000 and shall be allocated in each case between the 2017A Bonds and the 2017B Bonds in such amounts as shall be determined in accordance with the Successor Agency Ordinance; and

WHEREAS, property tax revenues from the Project Areas will be pledged for repayment of the Refunding Bonds in accordance with the 2016 Indenture and the First Supplemental Indenture of Trust approved in Section 3 of the Successor Agency Ordinance (Supplemental Indenture). Collectively, the 2016 Indenture and the Supplemental Indenture are sometimes referred to in this Resolution as the Indenture; and

WHEREAS, copies of the Successor Agency Ordinance and the Indenture are included, collectively, as Exhibit B to the staff report accompanying this Resolution; and

WHEREAS, the Oversight Board desires to approve all matters relating to the issuance and sale of the Refunding Bonds, as required by Code sections 34177.5(f) and 34180.
NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

1. The Successor Agency’s issuance of the Refunding Bonds in an aggregate principal amount not to exceed $260,000,000 for the purpose of achieving debt service savings in accordance with Code section 34177.5(a)(1) and the pledge of property tax revenues to the Refunding Bonds pursuant to the Indenture (as authorized by Code section 34177.5(a) and/or (g)) are hereby approved as provided for in the Indenture. The Refunding Bonds may be issued as a single issue with two series (as expected with respect to the 2017A Bonds and 2017B Bonds), as the Successor Agency shall determine in accordance with the Successor Agency Ordinance. The Oversight Board’s approval of this Resolution shall constitute its approval of each series of the Refunding Bonds.

2. The Oversight Board’s Chair and the members of Successor Agency staff having responsibility for the Oversight Board’s affairs are hereby authorized and directed to execute such documents and certificates as they determine are necessary or appropriate to assist the Successor Agency in the issuance of the Refunding Bonds.

3. The Oversight Board finds and determines that, based on the reports and testimony provided to the Oversight Board in association with this Resolution, as required by Code sections 34177.5(a)(1) or (h): (a) the Successor Agency has made, and will continue to make, diligent efforts to assure that the lowest long-term cost financing is obtained with the Refunding Bonds; (b) the Refunding Bonds will not provide for any bullets or spikes and shall not use variable rates of interest; (c) the Successor Agency has used and will continue to use an independent financial advisor in developing financing proposals relating to issuance of the Refunding Bonds, and the Successor Agency shall make the work product of such financial
advisor available to the DOF, at its request; and (d) the estimated savings from issuance of the Refunding Bonds to refund the Refunded Bonds satisfies the requirements of the Refunding Test.

4. Pursuant to the provisions of Code sections 34177.5(a)(1) and (f), the Successor Agency is expressly authorized to recover its related costs in connection with the transactions approved by this Resolution, irrespective of whether the Refunding Bonds are issued. The recovery of such costs shall be in addition to and shall not count against any administrative cost allowance of the Successor Agency under Code sections 34171(b) and 34183(a)(3).

5. This Resolution shall become effective in accordance with Code sections 34177.5(f) and 34179(h). In the event the Successor Agency Ordinance is modified in any material respect before its adoption by the Successor Agency, such modifications shall be presented to this Oversight Board for consideration and approval.

PASSED AND ADOPTED by the Oversight Board at a duly noticed meeting of the Oversight Board held on October 17, 2016.

________________________________
Chair, Oversight Board
EXHIBIT A

REFUNDED BONDS

$69,000,000 Redevelopment Agency of the City of San Diego Centre City Redevelopment Project Tax Allocation Housing Bonds, Series 2008A (Taxable) (the “Centre City Series 2008A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Deutsche Bank National Trust Company, dated as of June 1, 2008, relating to the Centre City Series 2008A Bonds

$76,255,000 Centre City Redevelopment Project Subordinate Tax Allocation Bonds, Series 2006A (the “Centre City Series 2006A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Deutsche Bank National Trust Company, dated as of June 1, 2006, relating to the Centre City Series 2006A Bonds

$33,760,000 Centre City Redevelopment Project Tax Allocation Housing Bonds, Series 2006B (Taxable) (the “Centre City Series 2006B Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and Deutsche Bank National Trust Company, dated as of June 1, 2006, relating to the Centre City Series 2006B Bonds

$13,930,000 North Park Redevelopment Project Subordinate Tax Allocation Bonds, Series 2009A (the “North Park Series 2009A Bonds”), issued pursuant to that certain Indenture of Trust between the Former Agency and Wells Fargo Bank, National Association, dated as of July 1, 2009, relating to the North Park Series 2009A Bonds

$5,635,000 City Heights Redevelopment Project Tax Allocation Bonds, 2010 Series A (Tax-Exempt) (the “City Heights Series 2010A Bonds”), issued pursuant to that certain Master Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, as supplemented by that certain First Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, that certain Second Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, and that certain Third Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and U.S. Bank National Association, dated as of August 1, 2010, relating to the City Heights Series 2010A Bonds

$9,590,000 City Heights Redevelopment Project Tax Allocation Bonds, 2010 Series B (Taxable) (the “City Heights Series 2010B Bonds”), issued pursuant to that certain Master Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, as supplemented by that certain First Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, that certain Second Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and Dai-Ichi Kangyo Bank, dated as of April 1, 1999, and that certain Third Supplemental Trust Agreement (City Heights Redevelopment Project) between the Former Agency and U.S. Bank National Association, dated as of August 1, 2010, relating to the City Heights Series 2010B Bonds
$4,915,000 Crossroads Redevelopment Project Tax Allocation Bonds, 2010 Series A (the “Crossroads Series 2010A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and U.S. Bank National Association, dated as of August 1, 2010, relating to the Crossroads Series 2010A Bonds

$19,765,000 Naval Training Center Redevelopment Project Tax Allocation Bonds, 2010 Series A (the “Naval Training Center Series 2010A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and U.S. Bank National Association, dated as of August 1, 2010, relating to the Naval Training Center Series 2010A Bonds


$17,755,000 Public Facilities Financing Authority of the City of San Diego, California Pooled Financing Bonds, 2007 Series B (Tax-Exempt) (Southcrest and Central Imperial Redevelopment Projects) (the “PFFA Series 2007B Bonds”), issued pursuant to that certain Indenture of Trust between the Former Agency and BNY Trust Company, dated as of June 1, 2007, relating to the PFFA Series 2007B Bonds.

Proceeds of the PFFA Series 2007A Bonds and the PFFA Series 2007B Bonds were used to make five separate loans to the Former Agency, and are secured by the Successor Agency’s payments under such loans, pursuant to the following documents: (1) the Master Trust Agreement (Southcrest Redevelopment Project), as supplemented by the Loan Agreement and Third Supplemental Trust Agreement (Southcrest Redevelopment Project), dated as of June 1, 2007, by and among the Public Facilities Financing Authority of the City of San Diego, California (the “Authority”), BNY Trust Company and the Former Agency relating to the tax-exempt loan of $9,405,000 and the taxable loan of $7,605,000 to the Former Agency with respect to the Southcrest Redevelopment Project; (2) the Master Trust Agreement (Central Imperial Redevelopment Project), as supplemented by the Loan Agreement and Second Supplemental Trust Agreement (Central Imperial Redevelopment Project), dated as of June 1, 2007, by and among the Authority, BNY Trust Company and the Former Agency relating to the tax-exempt loan of $8,350,000 and the taxable loan of $6,515,000 to the Former Agency with respect to the Central Imperial Redevelopment Project; and (3) the Master Trust Agreement
(Mount Hope Redevelopment Project), as supplemented by the Loan Agreement and Fourth Supplemental Trust Agreement (Mount Hope Redevelopment Project), dated as of June 1, 2007, by and among the Authority, BNY Trust Company and the Former Agency relating to the taxable loan of $3,110,000 to the Former Agency with respect to the Mount Hope Redevelopment Project.

$58,565,000 Housing Set-Aside Tax Allocation Bonds, 2010 Series A Taxable (the “Housing Set-Aside Series 2010A Bonds”), issued pursuant to that certain Trust Indenture between the Former Agency and U.S. Bank National Association, dated as of August 1, 2010, relating to the Housing Set-Aside Series 2010A Bonds
DATE ISSUED: October 14, 2016

SUBJECT: Adoption of a Resolution Approving the First Amendment to the Agreement with Harris & Associates for Construction Management Services for the Lyceum Theatre Renovation Project

CONTACT/PHONE NUMBER: Robert Sutherlin Jr., 619-533-7107

STAFF RECOMMENDATION: That the Oversight Board approves the First Amendment to the Agreement with Harris & Associates (“Amendment”) for Construction Management Services and makes certain findings to the effect that the Amendment is in the best interests of the local taxing entities and that the provision of services under the Amendment is necessary for the administration or operation of the Successor Agency.

DESCRIPTIVE SUMMARY OF ITEM: Under this Amendment between Civic San Diego (“CivicSD”), acting as the Successor Agency’s contracting agent, and Harris & Associates (“Consultant”), the Consultant will continue to provide Construction Management Services for the Lyceum Theatre Renovation Project (“Project”). The Project involves the Successor Agency’s renovation of the Lyceum Theatre public spaces in downtown San Diego. This Amendment will cover the costs of additional Construction Management Services to coordinate through the completion of construction of the Project. These services are necessary to allow the Successor Agency to fulfill its contractual obligations under a 1986 sublease agreement, which qualifies as an enforceable obligation.

BACKGROUND: The purpose of this staff report is to explain the need for execution of the Amendment (Attachment A) as the basis for the expenditure of Successor Agency funds for substantiated work performed by the Consultant in accordance with the Amendment. As discussed below, these actions will enable the Successor Agency to fulfill an underlying enforceable obligation and thereby fulfill its statutory responsibilities, notwithstanding certain statutory prohibitions that generally prevent the execution of new agreements or amendments thereto as of June 28, 2011.

Pursuant to Assembly Bill x1 26 (“AB 26”) and Assembly Bill 1484 (AB 1484), the Redevelopment Agency of the City of San Diego, a former public body, corporate and politic (“Former RDA”) dissolved on February 1, 2012, at which time the Successor Agency assumed all of the Former RDA’s assets, rights, and obligations under the California Community Redevelopment Law. In addition, CivicSD, formerly Centre City Development Corporation (CCDC), has replaced CCDC as the Successor Agency’s representative for, among other duties, many aspects of the winding down of redevelopment in the City of San Diego.
Section 34177.3(a) of California Health and Safety Code, as recently amended, states that successor agencies “shall lack the authority to, and shall not, create new enforceable obligations or begin redevelopment work, except in compliance with an enforceable obligation . . . that existed prior to June 28, 2011.” Section 34177.3(b) permits successor agencies to “create enforceable obligations to conduct the work of winding down the redevelopment agency, including hiring staff, acquiring necessary professional administrative services and legal counsel, and procuring insurance.” Section 34171(d)(1)(E) defines “enforceable obligation” to include “any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy.” Section 34171(d)(1)(F) further defines “enforceable obligation” to include “[c]ontracts or agreements for the administration or operation of the successor agency, in accordance with this part . . . .” Section 34177(a) requires the Successor Agency to continue to make payments due for enforceable obligations, and Section 34177(c) requires the Successor Agency to perform obligations required pursuant to any enforceable obligation.

Under Section 34177.3(b), a post-AB 26 contract or amendment thereto is warranted if it allows the Successor Agency to fulfill a pre-AB 26 enforceable obligation. The Department of Finance (“DOF”) issued a letter dated November 8, 2013 that requires the Oversight Board and the DOF to approve all post-AB 26 services contracts, management contracts and similar contracts, and post-AB 26 amendments to existing contracts of that nature, that will involve the Successor Agency’s expenditure of funds in the ROPS 13-14B time period and beyond. The DOF also issued a letter dated April 1, 2014, interpreting the Dissolution Laws to mean the Oversight Board must find that any post-AB 26 contract amendment for the provision of services is in the best interests of the local taxing entities in accordance with HSC section 34181(e) or that the contract amendment, including any increase in compensation or scope of services, is necessary for the administration or operation of the Successor Agency in accordance with HSC section 34171(d)(1)(F).

**DISCUSSION:** This Amendment should be permitted under Sections 34171(d)(1)(E), 34171(d)(1)(F), 34177(a), 34177(c), and 34177.3(b) as it will allow Successor Agency, through CivicSD, to utilize the Consultant to comply with an enforceable obligation that existed prior to June 28, 2011. The enforceable obligation was created through: (i) a Lease Agreement between the Former RDA and the owner of the Lyceum, Horton Plaza Associates, executed in 1985; and (ii) a Master Sublease Agreement (“Sublease Agreement”) between the Former RDA and the Horton Plaza Theatres Foundation (HPTF), executed in 1986. Among other things, the Sublease Agreement requires HPTF to operate and manage the Lyceum Theatre. Section XIII of the Sublease Agreement obligates the Successor Agency to replace fixtures and equipment at the Lyceum Theatre that were originally installed by the Former RDA and are in need of replacement from time to time due to ordinary wear and tear or obsolescence. To fulfill this pre-AB 26 enforceable obligation, CivicSD, on the Successor Agency’s behalf, retained the Consultant under the original agreement dated September 29, 2014, to provide construction management services for the Project.
The Consultant’s costs under the original agreement are included in prior approved ROPS, line item 205. The Oversight Board and the DOF previously approved the original agreement with the Consultant for the expenditure up to $212,555 to complete the necessary work. This additional compensation allows the Consultant to continue with Construction Management Support Services until the completion of the project. The numerous changes to the project have caused delays, resulting in an extended amount of time for the consultant to be onsite during construction activities. An increase in compensation of $30,000, from $212,555 to $242,555, is needed to allow the Consultant to remain onsite until completion of the Project. Line Item 205 of ROPS has sufficient funds to cover the costs of the proposed amendment.

CONCLUSION: Based on the foregoing, the Successor Agency respectfully requests that the Oversight Board approves the Amendment and the related findings, as further described in the accompanying Resolution.

Respectfully submitted,

Robert C. Sutherlin, Jr.
Civil Engineer, Civic San Diego

Concurred by:

Reese A. Jarrett
President, Civic San Diego

Attachment: A – First Amendment to the Agreement by and between Civic San Diego and Harris & Associates
FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT BY AND BETWEEN CIVIC SAN DIEGO AND HARRIS & ASSOCIATES

This First Amendment (“Amendment”), dated this ___ day of __________, 20___, for reference purposes only, is entered into by and between Civic San Diego, a California non-profit public benefit corporation, with its principal place of business at 401 B Street, 4th Floor, San Diego, California 92101 (“CivicSD”) and Harris & Associates, a civil engineering services firm, with its principal place of business at 600 B Street, Suite 2000, San Diego, CA 92101 (“Consultant”). CivicSD and Consultant are sometimes referred to in this Agreement individually as a “Party” and collectively as the “Parties.” This First Amendment is entered into in light of the following recited facts (each a “Recital”).

RECITALS

A. CivicSD is a non-profit public benefit corporation created by the City of San Diego (“City”) to engage in economic development, land use permitting and services, and project management services, which, under California law, can be done by contract with or delegated by the City, or the Successor Agency to the Redevelopment Agency of the City of San Diego (also known as the “Agency,” the “Successor Agency” or the “City of San Diego Solely in its Capacity as the Designated Successor Agency to the Redevelopment Agency of the City of San Diego, a Former Public Body, Corporate and Politic”).

B. CivicSD is authorized to enter into contracts pursuant to the California Nonprofit Public Benefit Corporation Law (Corp. Code § 5110 et seq.), its Articles of Incorporation and its Bylaws.

C. CivicSD is also authorized to enter into contracts for and on behalf of the City and Successor Agency pursuant to its Agreements for Consulting Services or other Agreements with the City.

D. CivicSD under the Professional Services Agreement dated September 29, 2014 (“Agreement”), has retained the services of Consultant, a civil engineering services firm, to provide bidding and construction management services for the Lyceum Theatre Renovation Project (the “Project”).

E. CivicSD and the Consultant desire to amend the aforesaid Agreement to increase the maximum compensation. CivicSD enters into this Agreement on behalf of the Successor Agency and in its role as consultant to the Successor Agency. All payments to be made to Consultant under this Agreement shall be derived from funds made available by the Successor Agency and are predicated upon the California Department of Finance’s approval of expenditures for the Project on the appropriate Recognized Obligation Payment Schedule(s) (“ROPS”).

ATTACHMENT A
F. Amendment Authority. This Third Amendment is authorized pursuant to Section 14(h) of the Agreement.

NOW, THEREFORE, in consideration of the Recitals and the terms and conditions set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties set forth their mutual covenants and understandings as follows:

TERMS

1. COMPENSATION: The Lump Sum Agreement Price defined in Section 2 “COMPENSATION” of the Agreement is hereby amended to increase by $30,000 (Thirty Thousand Dollars), from the previous amount of $212,555 (Two Hundred Twelve Thousand, Five Hundred Fifty-Five dollars) to the current amount of $242,555 (Two Hundred Forty-Two Thousand, Five Hundred Fifty-Five dollars). The Lump Sum Fee Payment Schedule as defined in Section 2 “COMPENSATION” of the Agreement is hereby amended as set forth in Exhibit “A” attached to this Amendment and incorporated into this Amendment by this reference. All payments to be made to Consultant under this Amendment shall be derived from funds made available by the Successor Agency. Furthermore, the funds will be available for this Project only if the California Department of Finance (“DOF”) approves sufficient expenditures, if any, on the appropriate Recognized Obligation Payment Schedule (“ROPS”). Consultant shall therefore not undertake any work, and shall not be entitled to receive any payment for work until and unless Consultant has received written notification from CivicSD that the DOF has approved such expenditure on the ROPS that covers the period(s) during which such work will be performed.

2. CONTINUING EFFECT OF AGREEMENT. Except as amended by this First Amendment, all other provisions of the Agreement remain in full force and effect. From and after the date of this Amendment, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement as amended by this Second Amendment.

[SIGNATURES ARE ON THE FOLLOWING PAGE.]
IN WITNESS WHEREOF, the Parties have caused this Second Amendment to be executed and delivered by their respective representatives, thereunto duly authorized, as of the date first written above.

CIVIC SAN DIEGO on behalf of and in its role as consultant to the Successor Agency to the Redevelopment Agency of the City of San Diego

By: __________________________________________
   Reese A. Jarrett
   President

Dated this ______ day of __________ 2016

HARRIS & ASSOCIATES

By: __________________________________________

Print Name: _________________________________

Position/Title: _______________________________

Dated this ______ day of __________ 2016

APPROVED AS TO FORM:

BEST BEST & KRIEGER LLP
CIVIC SAN DIEGO CORPORATE COUNSEL

By (Signature): ___________________________
   Shawn Hagerty, Esq.
   Corporate Counsel

Dated this ___ day of ____________ 2016
OVERSIGHT BOARD RESOLUTION NUMBER OB-2016-16

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN DIEGO REDEVELOPMENT SUCCESSOR AGENCY APPROVING THE FIRST AMENDMENT TO THE AGREEMENT WITH HARRIS & ASSOCIATES FOR CONSTRUCTION MANAGEMENT SERVICES ON THE LYCEUM THEATRE RENOVATION PROJECT IN THE HORTON PLAZA REDEVELOPMENT PROJECT AREA.

WHEREAS, the former Redevelopment Agency of the City of San Diego (Former RDA) administered the implementation of various redevelopment projects, programs, and activities within designated redevelopment project areas throughout the City of San Diego (City); and

WHEREAS, in accordance with Assembly Bill x1 26 (AB 26) enacted on June 28, 2011, the Former RDA dissolved as of February 1, 2012, at which time the City of San Diego, solely in its capacity as the designated successor agency to the Former RDA (Successor Agency), assumed the Former RDA’s assets and obligations; and

WHEREAS, the Successor Agency is required to administer the winding down of the Former RDA’s operations and to ensure compliance with the Former RDA’s obligations in accordance with AB 26, as subsequently amended (collectively, the Dissolution Laws); and

WHEREAS, the Dissolution Laws specify that the Oversight Board and the California Department of Finance (DOF) must review and approve certain actions and decisions of the Successor Agency, including the Successor Agency’s approval of each Recognized Obligation Payment Schedule (ROPS); and

WHEREAS, among other things, each ROPS shows the estimated payments owed by the Successor Agency to third parties for enforceable obligations during the upcoming fiscal period and identifies the funding sources that will be used to make such payments; and

WHEREAS, California Health and Safety Code (Code) section 34177.3(a) states that successor agencies “shall lack the authority to, and shall not, create new enforceable obligations
or begin redevelopment work, except in compliance with an enforceable obligation . . . that existed prior to June 28, 2011”; and

WHEREAS, Code section 34177.3(b) permits successor agencies to “create enforceable obligations to conduct the work of winding down the redevelopment agency, including hiring staff, acquiring necessary professional administrative services and legal counsel, and procuring insurance”; and

WHEREAS, Code section 34171(d)(1)(E) defines “enforceable obligation” to include “any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy”; and

WHEREAS, Code section 34171(d)(1)(F)(i) further defines “enforceable obligation” to include “[c]ontracts or agreements for the administration or operation of the successor agency, in accordance with this part . . . .”; and

WHEREAS, Code section 34177(a) requires the Successor Agency to continue to make payments due for enforceable obligations, and Code section 34177(c) requires the Successor Agency to perform obligations required pursuant to any enforceable obligation; and

WHEREAS, the DOF issued a letter dated November 8, 2013 (November 2013 Letter) that effectively requires the Oversight Board and the DOF to approve all post-AB 26 services contracts, management contracts and similar contracts, and post-AB 26 amendments to existing contracts of that nature, that will involve the Successor Agency’s expenditure of funds in the ROPS 13-14B time period and beyond; and

WHEREAS, the DOF also issued a letter dated April 1, 2014 (April 2014 Letter), interpreting the Dissolution Laws to mean the Oversight Board must find that any post-AB 26 contract amendment for the provision of services is in the best interests of the local taxing entities in accordance with Code section 34181(e) or that the contract amendment, including any
increase in compensation or scope of services, is necessary for the administration or operation of the Successor Agency in accordance with Code section 34171(d)(1)(F)(i); and

WHEREAS, to comply with the November 2013 Letter and the April 2014 Letter, the Successor Agency is now presenting, for approval by the Oversight Board and the DOF, the First Amendment to the Professional Services Agreement (Amendment) with Harris & Associates (Consultant), which involves the expenditure of ROPS-approved funds for construction management services necessary for the completion of the Lyceum Theatre renovation project (Project) pursuant to the 1986 Master Sublease Agreement (Sublease Agreement) between the Former RDA and the Horton Plaza Theatres Foundation (HPTF); and

WHEREAS, among other things, the Sublease Agreement requires HPTF to operate and manage the Lyceum Theatre, and requires the Successor Agency to replace fixtures and equipment at the Lyceum Theatre that were originally installed by the Former RDA and are in need of replacement from time to time due to ordinary wear and tear or obsolescence; and

WHEREAS, a copy of the Amendment is included as Attachment A to the staff report accompanying this Resolution; and

WHEREAS, the Amendment will benefit the local taxing entities and will be in their best interests, in that it will permit the Successor Agency to carry out its contractual obligation under the Sublease Agreement, a pre-AB 26 contract, to replace fixtures and equipment at the Lyceum Theatre, and will avoid the Successor Agency’s breach of its contractual obligation; and

WHEREAS, the Amendment involves an increase in compensation by $30,000, from the previous amount of $212,555 to the current amount of $242,555, to allow the Consultant to continue to provide construction management services through completion of the Project; and
WHEREAS, the increased compensation is warranted because numerous changes to the project have caused delays which have increased the time requirements for Consultant’s work on the Project; and

WHEREAS, the Amendment is necessary for the operation or administration of the Successor Agency because it permits the Successor Agency to fulfill its contractual obligation under the Sublease Agreement to replace fixtures and equipment at the Lyceum Theatre; and

WHEREAS, the Successor Agency, or Civic San Diego as the contracting agent on its behalf, will pay for the services performed under the Amendment utilizing the funding sources shown in line item 205 of the ROPS.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

1. The Board finds, in accordance with Code section 34181(e), that the Amendment is in the best interests of the local taxing entities.

2. The Board finds, in accordance with Code section 34171(d)(1)(F)(i), that the provision of services under the Amendment, including any increase in compensation, is necessary for the administration or operation of the Successor Agency.

3. The Amendment is hereby approved.

PASSED AND ADOPTED by the Oversight Board at a duly noticed meeting of the Oversight Board held on October 17, 2016.

________________________________
Chair, Oversight Board