



City of Stockton

Stockton Successor
Agency Oversight Board

Meeting Agenda - Final Stockton Successor Agency Oversight Board

Paul Sensibaugh, Chair
Shabbir Khan, Vice Chair
Elbert Holman Jr., Member
Gary Lambdin, Member
Jeff Menge, Member
Erin Mettler, Member
James Thomas, Member
Ronald Estes, Alternate Member

Wednesday, June 29, 2016

11:00 AM

Council Chamber - City Hall, 425 N. El Dorado
Street, Stockton CA

1. REGULAR SESSION CALL TO ORDER/ROLL CALL

2. PLEDGE TO FLAG

3. PUBLIC COMMENT

4. ADOPTION OF CONSENT CALENDAR

4.1 [16-2485](#) APPROVAL OF MINUTES

Recommended Action: Approve the minutes from the March 9, 2016 Successor Agency Oversight Board meeting

Department: City Clerk

Attachments: [Minutes for Approval 2016-03-09](#)

5. UNFINISHED BUSINESS

6. NEW BUSINESS*

6.1 [16-2825](#) REFUNDING OF SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF STOCKTON, CITY OF STOCKTON ENFORCEABLE OBLIGATIONS THROUGH THE ISSUANCE OF ONE OR MORE SERIES (NOT TO EXCEED \$130,000,000 AGGREGATE PAR AMOUNT) OF SUCCESSOR AGENCY 2016 TAX ALLOCATION REFUNDING BONDS

Recommended Action: RECOMMENDATION

Adopt a resolution of the Stockton Successor Agency Oversight Board approving the Successor Agency to the former Redevelopment Agency of the City of Stockton's ("Successor Agency") authorizing the taking of all necessary actions and approving all documents in connection with the refunding of enforceable obligations currently payable from tax increment revenue of the Successor Agency, as set forth below, authorizing the issuance and sale of Successor Agency's 2016 Tax Allocation Refunding Bonds (the 2016 "Bonds") in one or more series not to exceed \$130,000,000 (current issuance estimate of \$113,085,000), including the approval of the form of an indenture of trust, escrow agreement, bond purchase contract, certain refunding agreements, the modification of adopted budgets to accommodate the refunding, and authorizing certain other actions in connection therewith.

Department: Economic Development

Attachments: [Attachment A - Savings Analysis Presentation](#)

[Attachment B - Indenture of Trust, Bond Purchase Contract, and Refunding Esc](#)

[Attachment C - Complete set of Bond Numbers](#)

[Proposed Resolution - Stockton RDA 2016 Refunding Bonds](#)

7. **REPORTS/WRITTEN COMMUNICATIONS/ INFORMATIONAL ITEMS**
8. **BOARD/COMMISSION COMMUNICATIONS OR COMMENTS**
9. **ADJOURNMENT**

CERTIFICATE OF POSTING

I declare, under penalty of perjury, that I am employed by the City of Stockton and that I caused this agenda to be posted in the City Hall notice case on June 23, 2016, in compliance with the Brown Act.

Bonnie Paige, CMC

By: _____

Deputy

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<http://www.stocktongov.com/government/oMeetings/boardComMeetings.html>

Citizens may comment on any subject within the jurisdiction of this governing body, including items on the Agenda. Anyone wishing to speak on a consent item or public hearing item, please complete a "Request to Speak Card" and submit it to the Recording Secretary prior to the meeting. No speaker cards will be received after the close of the Citizen's Comments portion of the meeting. Each speaker is limited to five minutes. Speakers must be prepared to speak when called. Speakers should hold comments on items listed as a Public Hearing until the Hearing is opened. If a large number of people desire to speak at a Public Hearing, the Chair may reduce the amount of time allocated to each speaker to three (3) minutes.

NOTE: All proceedings are conducted in English. The City of Stockton does not furnish language interpreters and, if one is needed, it shall be the responsibility of the person(s) needing one.

In accordance with the Americans With Disabilities Act and California Law, it is the policy of the City of Stockton to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including those with disabilities. If you are disabled and require a copy of a public hearing notice, or an agenda and/or agenda packet in an appropriate alternative format; or if you require other accommodation, please contact the Office of the City Clerk located at 425 North El Dorado Street, Stockton, California 95202 during normal business hours or by calling (209) 937-8459, at least 5 days in advance of the hearing/meeting. Advance notification within this guideline will enable the City/Agency to make reasonable arrangements to ensure accessibility.

AGENDA ITEMS: Information concerning the agenda items have been forwarded to this governing body prior to the meeting. Unless a governing body member or member of the audience has questions concerning a particular item and asks that it be removed from the Consent Calendar, the items are approved at one time by a roll call vote.

* For any person wishing to address this governing body on any matter not on the printed agenda. The Chairperson may set a time limit for individual speakers/groups.



City of Stockton

Legislation Text

File #: 16-2485, **Version:** 1

APPROVAL OF MINUTES

Approve the minutes from the March 9, 2016 Successor Agency Oversight Board meeting

**MINUTES
STOCKTON SUCCESSOR AGENCY OVERSIGHT BOARD
MEETING OF MARCH 9, 2016**

Council Chamber - City Hall

1. CALL TO ORDER/ROLL CALL - 11:01 AM

2. PLEDGE TO FLAG

The Pledge of Allegiance was led by Member Lambdin

Roll Call

Present:

Elbert Holman
Shabbir Khan
Gary Lambdin
Jeff Menge
Erin Mettler
Paul Sensibaugh
James Thomas

3. PUBLIC COMMENT

None.

4. ADOPTION OF CONSENT CALENDAR

Motion to approve the consent calendar with a single vote.

Moved by: Paul Sensibaugh, seconded by Shabbir Khan.

Vote: Motion carried 7-0

Yes: Elbert Holman, Shabbir Khan, Gary Lambdin, Jeff Menge, Erin Mettler, Paul Sensibaugh, and James Thomas.

4.1 16-2369 APPROVAL OF MINUTES

Motion 2016-03-09-0401 approving the minutes from the January 27, 2016
Successor Agency Oversight Board meeting

Legislation Text

2016-01-27 SAO Minutes

5. UNFINISHED BUSINESS

None.

6. NEW BUSINESS

6.1 16-2416 AMENDMENT TO STOCKTON CITY CENTER 16, LLC AGREEMENT FOR THE CINEPLEX PROJECT

Legislation Text

Proposed Resolution - SCC 16 Oversight Board

Exhibit 1 - Proposed Amendment

Around the Bench memo noting changes to proposed resolution

Approved Resolution OB 2016-03-09-0601

Adopt **Resolution OB 2016-03-09-0601** reapproving the amendment to the Disposition and Development Agreement ("DDA") with Stockton City Center 16, LLC, for the Multi-Screen Theater Complex (the "Project" or "Cineplex"), adding Section 6.2 (h) - Buyout of Agency Investment as revised around the bench.

Moved by: Elbert Holman, seconded by Erin Mettler.

Vote: Motion carried 7-0

Yes: Elbert Holman, Shabbir Khan, Gary Lambdin, Jeff Menge, Erin Mettler, Paul Sensibaugh, and James Thomas.

7. REPORTS/WRITTEN COMMUNICATIONS/ INFORMATIONAL ITEMS

None.

8. BOARD/COMMISSION COMMUNICATIONS OR COMMENTS

Economic Development Director, Micah Runner - thanked the members of the Board for being available for this meeting

Member Holman - reported on visiting the Riverbank movie theater

9. ADJOURNMENT - 11:12 AM


BONNIE PAIGE, CMC
CITY CLERK, CITY OF STOCKTON



City of Stockton

Legislation Text

File #: 16-2825, Version: 1

REFUNDING OF SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF STOCKTON, CITY OF STOCKTON ENFORCEABLE OBLIGATIONS THROUGH THE ISSUANCE OF ONE OR MORE SERIES (NOT TO EXCEED \$130,000,000 AGGREGATE PAR AMOUNT) OF SUCCESSOR AGENCY 2016 TAX ALLOCATION REFUNDING BONDS

RECOMMENDATION

Adopt a resolution of the Stockton Successor Agency Oversight Board approving the Successor Agency to the former Redevelopment Agency of the City of Stockton's ("Successor Agency") authorizing the taking of all necessary actions and approving all documents in connection with the refunding of enforceable obligations currently payable from tax increment revenue of the Successor Agency, as set forth below, authorizing the issuance and sale of Successor Agency's 2016 Tax Allocation Refunding Bonds (the 2016 "Bonds") in one or more series not to exceed \$130,000,000 (current issuance estimate of \$113,085,000), including the approval of the form of an indenture of trust, escrow agreement, bond purchase contract, certain refunding agreements, the modification of adopted budgets to accommodate the refunding, and authorizing certain other actions in connection therewith.

SUMMARY

The primary goal of the refinancing is to generate significant savings. The issuance of new bonds will not move forward unless savings of at least 3.0 percent, which is a generally accepted threshold for proceeding with a refunding transaction, can be achieved. The final savings amount will depend upon the rating that the new bonds receive and market conditions at the time of sale. In addition to this transaction's significant financial benefits, the City can also completely eliminate the General Fund obligations relating to both the 2003 COPs and the 2004 Arena Bonds and can terminate the agreements entered into with Ambac and NCFG in its Chapter 9 bankruptcy.

The City of Stockton ("the City"), the former Redevelopment Agency of the City of Stockton (the "Former Agency"), and the Stockton Public Financing Authority, as applicable, issued the following bonds to eliminate blight and to promote development of low income housing stock in the City. Approval of the above resolution authorizes refunding certain enforceable obligations of the Successor Agency relating to the following series of securities, resulting in the prepayment or redemption of such securities:

- ***Certificates of Participation (Redevelopment Housing Projects) 2003A (the "2003A COPs") & Certificates of Participation (Redevelopment Housing Projects) Taxable Series 2003B (the "2003B COPs" and, collectively, the 2003 COPs):*** As described in an Official Statement dated June 17, 2003, the 2003 COPs were executed and delivered in the original principal amounts of \$1,160,000 (2003A) and \$12,140,000 (2003B). The net proceeds of the 2003 COPs were used to finance the construction of capital improvements to provide

affordable housing in the City. The 2003A COPs and the 2003B COPs are currently outstanding in the aggregate principal amount of \$985,000 and \$10,515,000, respectively. The 2003 COPs as initially structured are payable from certain lease payments to be made by the City's General Fund under a lease agreement. The Successor Agency is obligated under a reimbursement agreement to reimburse the City, from certain housing set-aside tax increment revenues, for such lease payments. The 2003 COPs were the subject of negotiations during the City's bankruptcy case, and the City entered into certain agreements with Ambac in connection with the effectiveness of the City's Plan of Adjustment. The City expects to terminate these agreements in connection with the prepayment of the 2003 COPs.

- **2004 Arena Bonds and Amended and Restated Pledge Agreement:**

As described in an Official Statement dated March 18, 2004, the Former Agency issued its Revenue Bonds, Series 2004 (Stockton Events Center - Arena Project) in the original aggregate principal amount of \$47,000,000 (the "2004 Arena Bonds") to finance a portion of the arena at the Stockton Events Center. The 2004 Arena Bonds are payable from certain lease payments to be made from the City's General fund under a lease agreement, and, pursuant to a pledge agreement, the Successor Agency, as successor in interest to the Former Agency, was obligated to make certain payments, the receipt of which acted as an offset to the City's lease payment obligations. The 2004 Arena Bonds are currently outstanding in the aggregate principal amount of \$43,360,000. During the City's bankruptcy case, the City negotiated certain agreements with NPMFG, the municipal bond insurer that insures the payment of debt service on the 2004 Arena Bonds. Under these agreements NPMFG and the trustee for the 2004 Arena Bonds agreed to forbear from enforcing certain remedies against the City under the bond documents and adjusted the lease repayment and pledge payment schedules. The City expects to terminate these agreements in connection with the proposed refunding of the 2004 Arena Bonds.

- **2006A (Tax-Exempt) Tax Allocation Bonds & 2006C (Taxable) Tax Allocation Bonds:** As described in an Official Statement dated June 21, 2006, the Stockton Public Financing Authority issued its Revenue Bonds (Redevelopment Projects), 2006 Series A in an original aggregate par amount of \$75,755,000 (the "2006A Bonds"), its Taxable Revenue Bonds (Redevelopment Projects), 2006 Series B in an original aggregate par amount of \$8,445,000 (the "2006B Bonds"), and its Taxable Revenue Bonds, (Housing Projects) 2006 Series C in an original aggregate par amount of \$25,985,000 (the "2006C Bonds"). Proceeds of the 2006A Bonds and the 2006B Bonds were used to finance certain redevelopment projects within or of benefit to the Merged Midtown, North Stockton and South Stockton Merged Redevelopment Projects. Proceeds of the 2006C Bonds were used to fund a loan to finance certain low and moderate-income housing projects throughout the City of Stockton. The 2006A Bonds and 2006C Bonds are outstanding in the aggregate principal amount of \$49,160,000 and \$22,285,000, respectively. The 2006B Bonds matured on September 1, 2013, and were paid in full.

- Collectively, the Successor Agency's obligations relating to the 2003 COPs, the 2004 Arena Bonds and the 2006A Bonds and 2006C Bonds are, in this report, referred to as the "Prior Obligations."

- The Successor Agency assumed responsibility for all debt management with respect to the former Redevelopment Agency in 2012. Under State law (including the Fiscal Year 2012-13 State of California budget bill (Assembly Bill 1484) and California Health and Safety Code Section 34177.5(a)), the Successor Agency may refund outstanding bonds and other indebtedness of the Former Agency with approval from the Oversight Board and the California Department of Finance (“DoF”), subject to certain conditions, including that the total interest cost to maturity plus the principal amount of the refunding bonds does not exceed that of the bonds or other indebtedness to be refunded. In other words, there must be debt service savings created by the refinancing. The City and Successor Agency have commissioned a Refunding Plan and Savings Analysis be prepared by the Municipal Advisor, which is included as an attachment to this report. The Successor Agency expects to seek Oversight Board approval on June 29 and, subsequent approval from the DoF.

DISCUSSION

Background

The City of Stockton (“the City”), the former Redevelopment Agency of the City of Stockton, and the Stockton Public Financing Authority previously issued the following bonds which are now recommended to be refinanced.

- ***2003A (Tax-Exempt) Certificates of Participation & 2003B (Taxable) Certificates of Participation***
- ***2004 Arena Bonds and Amended and Restated Pledge Agreement***
- ***2006A (Tax-Exempt) Tax Allocation Bonds & 2006C (Taxable) Tax Allocation***

Present Situation

The proposed Tax Allocation Refunding Bonds, Series 2016A & 2016B (collectively, the “2016 Bonds”) will be structured as a tax-exempt and a federally taxable series, respectively. The 2016A Tax-Exempt Tax Allocation Bonds (the “2016A Bonds”), with an estimated par of \$79.1 million, will refund enforceable obligations of the Successor Agency relating to the 2003A COPs, the 2004 Arena Bonds. The 2016B Taxable Tax Allocation Bonds (the “2016B Bonds”), with an estimated par of \$32.1 million, will refund enforceable obligations of the Successor Agency relating to the 2003B COPs and the 2006C Bonds. The aggregate par amount of the 2016 Bonds is estimated to be approximately \$111.2 million. The current estimate of the final maturity of the 2016A Bonds is September 1, 2037, which is the same final maturity as the 2006A Bonds (the 2003A COPs mature in 2033 and the 2004 Bonds mature in 2036). The 2016B Taxable Bonds are currently estimated to have an earlier final maturity, September 1, 2025, than that of the series they are refunding (the 2003B COPs and the 2006C Bonds).

The final interest rates and structure will be determined when the 2016 Bonds are priced and sold. The current target for the pricing date is September 20, subject to market conditions. Assuming pricing on that date, the bond closing could be expected to occur on or around October 4 and the Prior Obligations could be expected to be redeemed in November 2016. Although the 2016 Bonds have not yet been rated, the 2003A COPs, 2003B COPs, the 2006A Bonds and the 2006C Bonds currently carry underlying ratings from Standard & Poor’s (“S&P”) of “B-”, “B-”, “BB” and “BBB-”, respectively. The 2004 Bonds are not currently rated by S&P. It is anticipated that the 2016 Bonds

will maintain at least the same credit rating as the 2006C Bonds.

The City and the Successor Agency have directed the Municipal Advisor, Del Rio Advisors, LLC, to prepare an analysis of the potential savings that will accrue to the Successor Agency and to the applicable taxing entities as a result of the refinancing (the "Refunding Plan and Savings Analysis") (Attachment A). That analysis demonstrates there are significant potential savings available to the Successor Agency and to the applicable taxing entities in compliance with the savings parameters as set forth by approval of the proposed resolution and the issuance of the 2016 Bonds, all as evidenced by the Refunding Plan and Savings Analysis on file with the Successor Agency.

The primary goal of the refinancing is to generate significant savings to the various participating taxing entities. The issuance of the 2016 Bonds will not move forward unless savings of at least 3.0 percent, which is a generally accepted threshold for proceeding with a refunding transaction, can be achieved. In addition to this transaction's significant financial benefits, the City can also completely eliminate the General Fund obligations relating to both the 2003 COPs and the 2004 Arena Bonds and can terminate the agreements entered into with Ambac and NPMG in its Chapter 9 bankruptcy.

Should this resolution be approved, the approved resolution and all of the attached documents will be forwarded to the DoF for its review and approval. DoF has five (5) days to respond that it will review the request and an additional sixty (60) days to either approve or deny the refinancing. During the period of DoF review, the financing team will finalize the Fiscal Consultant's Report, the Preliminary Official Statement and any other documents required for the issuance and bring these back to the Successor Agency for review.

Documents to be Executed

Approval of the Resolution will authorize the execution of the following documents (Attachment B):

- **Indenture of Trust** - This document contains the terms of the 2016 Bonds, including payment and redemption provisions, definition and pledge of revenues to pay the 2016 Bonds, Rights and Duties of the Trustee, remedies upon a default in the payment of the 2016 Bonds, and final discharge of the 2016 Bonds and other related matters.
- **Escrow Agreement** - This document provides for the investment and application of the proceeds of the 2016 Bonds to prepay or redeem the Prior Obligations.
- **Refunding Agreements** - These documents authorize the termination of the agreements entered into with Ambac and NPMG in connection with the City's chapter 9 bankruptcy case.
- **Bond Purchase Contract** - This document provides for the sale of the Bonds by the Successor Agency to the underwriter, and includes representation and warranties, and preconditions for the closing of the transaction including the delivery of various documents and legal opinions.

FINANCIAL SUMMARY

Based on market conditions as of May 5, 2016, the refinancing is estimated to result in net present value savings of approximately \$16.2 million, or 13.2 percent (see table below). However, the final savings amount will depend upon the rating that the 2016 Bonds receive and market conditions at the time of sale. The estimated annual savings will become available after the payment of enforceable obligations as approved on the Recognized Obligation Payment Schedule and will be distributed

among various taxing entities such as the State of California, San Joaquin County, and the City. A complete listing of the anticipated bond numbers is presented in Attachment C.

Summary of Savings Results for 2016 Bonds*

2016 Bonds	
Net Present Value Savings	\$16.2 million
Net Present Value Savings (% of Par Value Refunded)	13.17%
Avg. Annual Savings	\$1.2 million
Total Debt Service Savings	\$25.5 million

**Projected savings are based on current interest rates assuming the 2016 Bonds have a “BBB” underlying rating and overall level debt service on the bonds issued for the refinancing. These rates are subject to change based on market conditions at the time of sale.*

The 2016 Bonds would not be an obligation of the City, but rather the Successor Agency. Debt service on the 2016 Bonds will be supported by tax increment revenues collected by the County and deposited into the Successor Agency’s Redevelopment Property Tax Trust Fund.

Due to preparing projections and other pertinent information in the Fiscal Consultant’s Report, the fees and expenses of Fraser & Associates, acting as Fiscal Consultant, cannot be contingent on the sale of the 2016 Bonds. The fee for Fiscal Consultant is currently estimated at \$30,000 and can be recovered through the costs of issuance upon successful closing and, should the refinancing not close, these costs can be recovered via allowable administrative expenses.

Fees for a bond rating are required for a review of the Successor Agency credit by Standard & Poor’s, and possibly by Fitch Ratings. Current fee estimates are \$65,000 for Standard & Poor’s, and \$60,000 for Fitch Ratings. A higher rating will yield a lower interest rate. Additionally, it may be economically beneficial to obtain bond insurance for the refunding bonds, which would be expected to result in a higher (insured) rating being issued for the 2016 Bonds. The rating fee will not be incurred until later in the process when the team is reasonably confident that the transaction will obtain final approvals. The fees for a bond rating can be recovered through the costs of issuance upon successful closing and, should the refinancing not close, these costs can be recovered via allowable administrative expenses.

The fees of Del Rio Advisors, LLC acting as Municipal Advisor to the City and Successor Agency are payable under an hourly contract and are currently estimated at \$35,000. The fees of the Municipal Advisor can be recovered through the costs of issuance upon successful closing and, should the refinancing not close, can be recovered via allowable administrative expenses.

The remainder of the financing team will work on a contingent basis with fees payable only from a successful sale and closing of the 2016 Bonds.

Attachment A - Savings Analysis (PowerPoint presentation for DOF)

Attachment B - Indenture of Trust, Bond Purchase Contract, and Refunding Escrow Agreement

Attachment C - Complete Set of Bond Numbers

**Successor Agency
to the
Redevelopment Agency
of the
City of Stockton**

**2016 Tax Allocation Refunding Bonds
Series A and Taxable Series B**

**Plan of Refunding and Savings Analysis
June 28, 2016**



Del Rio Advisors, LLC

"Independent Registered Municipal Advisor"

Existing Indebtedness

(North Stockton, South Stockton, Midtown Project Areas)

- **\$75,755,000 Stockton Public Financing Authority, Revenue Bonds (Redevelopment Projects), 2006 Series A (the “2006A Bonds”)**
 - Amount remaining: \$49,160,000 (prior to September 1, 2016)
 - Final maturity: 9/1/37
 - Sale type: Public Offering
 - Insurer: Radian
 - Reserve fund: Cash (Invested in AIG GIC – can liquidate at premium)
 - Redemption: Any date on or after 9/1/16 @ par (100%)
 - Purpose:
 - Financed certain redevelopment projects within or of benefit to the Merged Midtown, North Stockton and South Stockton Merged Redevelopment Projects
 - Funded a portion of the reserve account created under each Redevelopment Project Loan Agreement
 - Paid costs of issuance of the 2006A Bonds

Existing Indebtedness

(West End Urban Renewal Project Area)

- ▶ **Amended and Restated Pledge Agreement, \$47,000,000 Redevelopment Agency of the City of Stockton, Revenue Bonds, Series 2004 (Stockton Events Center – Arena Project) (the “2004 Bonds”)**
 - ▶ Amount remaining:
 - \$42,150,459 prior to September 1, 2016
 - \$43,360,000 of bonds prior to September 1, 2016
 - ▶ Final maturity: 9/1/36
 - ▶ Sale type: Negotiated bankruptcy settlement
 - ▶ Insurer: NPMG
 - ▶ Reserve fund: Cash
 - ▶ Redemption: To be negotiated
 - ▶ Additional security: General Fund backstop
 - ▶ Bankruptcy agreement: NPMG (approved by DoF)
 - ▶ Purpose:
 - ▶ Financed a portion of the costs of an indoor arena of approximately 220,000 square feet, including facilities for ice hockey, indoor football, indoor soccer, concerts and other events,
 - ▶ Funded two years of capitalized interest on the 2004 Bonds
 - ▶ Funded a reserve fund for the 2004 Bonds
 - ▶ Paid certain costs of issuance of the 2004 Bonds

Existing Indebtedness

(20% Housing Set-Aside)

- **\$25,985,000 Stockton Public Financing Authority, Taxable Revenue Bonds (Housing Projects), 2006 Series C (the “2006C Bonds”)**
 - Amount remaining: \$22,285,000 (prior to September 1, 2016)
 - Final maturity: 9/1/37
 - Sale type: Public Offering
 - Insurer: Radian
 - Reserve fund: Cash
 - Redemption: Any date on or after 9/1/16 @ par (100%)
 - Purpose:
 - Funded a loan made pursuant to a loan agreement (the “Housing Loan”) to finance certain low and moderate income housing projects throughout the City of Stockton
 - Funded a reserve account under the Housing Loan Agreement
 - Paid costs of issuance of the 2006C Bonds

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Existing Indebtedness

(20% Housing Set-Aside)

- ▶ **\$12,140,000 City of Stockton, Certificates of Participation (Redevelopment Housing Projects), Taxable Series 2003B (the “2003B COPs”)**
 - ▶ Amount remaining: \$10,515,000 (prior to September 1, 2016)
 - ▶ Final maturity: 9/1/33
 - ▶ Sale type: Public Offering
 - ▶ Insurer: Ambac
 - ▶ Reserve fund: Cash
 - ▶ Redemption: Any date on or after 9/1/13 @ par (100%)
 - ▶ Additional security: General Fund backstop
 - ▶ Bankruptcy agreement: Ambac
 - ▶ Purpose:
 - ▶ Financed the construction of capital improvements to provide redevelopment housing in the City
 - ▶ Funded a reserve fund for the 2003B COPs
 - ▶ Paid costs of issuance of the 2003B COPs

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Existing Indebtedness

(Subordinate 20% Housing Set-Aside)

- **\$1,160,000 City of Stockton, Certificates of Participation (Redevelopment Housing Projects), Series 2003A (the “2003A COPS”)**
 - Amount remaining: \$985,000 (prior to September 1, 2016)
 - Final maturity: 9/1/33
 - Sale type: Public Offering
 - Insurer: Ambac
 - Reserve fund: Cash
 - Redemption: Any date on or after 9/1/13 @ par (100%)
 - Additional security: General Fund backstop
 - Bankruptcy agreement: Ambac
 - Purpose:
 - Financed the construction of capital improvements to provide redevelopment housing in the City
 - Funded a reserve fund for the 2003A COPS
 - Paid costs of issuance of the 2003A COPS

Successor Agency to the Redevelopment Agency of the City of Stockton
Aggregate Outstanding Debt Service

Date	2006 Series A	Taxable 2006 Series C	COPs Series 2003A	Taxable COPs Series 2003B	Amended and Restated Pledge Agreement	Total Annual Debt Service
9/1/2016 (*)						
9/1/2017	4,751,513	2,124,760	79,813	919,927	2,703,524	10,579,535
9/1/2018	4,102,263	2,126,135	78,333	917,299	2,762,164	9,986,193
9/1/2019	4,779,763	2,094,419	81,813	916,320	2,789,111	10,661,425
9/1/2020	4,779,013	2,091,673	80,013	919,305	2,901,782	10,771,785
9/1/2021	2,007,013	2,090,835	78,213	915,995	2,975,127	8,067,181
9/1/2022	2,857,013	2,091,562	81,413	916,649	3,046,836	8,993,471
9/1/2023	3,344,513	2,048,510	79,350	916,008	3,113,133	9,501,514
9/1/2024	4,470,513	1,919,428	77,288	919,072	3,185,079	10,571,379
9/1/2025	4,441,763	1,880,155	80,163	915,032	3,255,772	10,572,884
9/1/2026	3,698,013	1,879,852	77,825	919,672	3,368,435	9,943,796
9/1/2027	3,684,600	1,880,770	80,488	917,464	3,444,630	10,007,951
9/1/2028	3,691,200	1,882,566	77,938	918,672	3,519,247	10,089,622
9/1/2029	3,686,500	1,879,896	80,313	918,032	3,627,234	10,191,975
9/1/2030	3,570,763	1,837,761	77,469	915,544	3,735,788	10,137,324
9/1/2031	3,564,500	1,838,565	79,625	916,208	3,811,363	10,210,261
9/1/2032	3,666,938	1,839,217	81,563	919,760	3,891,702	10,399,179
9/1/2033	3,667,038	1,834,372	78,281	915,936	3,976,028	10,471,655
9/1/2034	3,669,525	1,839,032	-	-	4,058,600	9,567,156
9/1/2035	3,153,875	1,837,165	-	-	4,143,969	9,135,008
9/1/2036	3,151,863	1,838,771	-	-	4,236,750	9,227,384
9/1/2037	3,157,500	1,838,164	-	-	-	4,995,664
Totals	\$ 77,895,675	\$ 40,693,603	\$ 1,349,895	\$ 15,596,895	\$ 68,546,274	\$ 204,082,342

(*) Assumes September 1, 2016 payments made prior to the closing date of the proposed refunding

Refunding Plan

- **\$111,185,000 Successor Agency of the Redevelopment Agency of the City of Stockton, 2016 Tax Allocation Refunding Bonds**
 - Assumed closing: October 4, 2016
 - Purpose: Refund all outstanding debt obligations of the Agency
 - Final maturity: 9/1/37 (no extension of final maturity)
 - Security: Gross RPTTF pledge
 - Sale type: Public offering
 - Insurer: TBD
 - Reserve fund: Full cash (surety if available)
- **Refunding results^(*)**
 - Total savings: \$25,532,359
 - Average annual savings: \$1,215,827
 - NPV savings: \$16,222,005
 - % of refunded principal 13.171%
 - % of refunding principal 14.590%
 - “All-In” TIC 3.871%
 - Average Rate (Prior Bonds) 5.399%

(*) Assumes market interest rates as of May 5, 2016 - preliminary, subject to change

Refunding Plan (continued)

- The Successor Agency and the Oversight Board both approved resolutions allowing the refunding on the following terms:
 - Authorized a public offering to carry out the refunding program
 - Set a minimum 3.00% net present value savings
 - No extension of final maturity date
- Other considerations
 - Substantial net present value savings
 - Level debt service after refunding
 - Eliminate General Fund backstop:
 - COPs Series 2003A and Taxable Series 2003B
 - Amended and Restated Pledge Agreement
 - Eliminate two bankruptcy agreements
 - Ambac: Amended and Restated Stipulation and Settlement Agreement
 - NCFG: Amended and Restated Pledge Agreement

Successor Agency to the Redevelopment Agency of the City of Stockton

Aggregate Refunding Debt Service ⁽¹⁾

Date	2016 Series A	2016 Series B	Total Annual Debt Service
10/4/2016 ⁽²⁾			
9/1/2017	3,594,048	4,908,277	8,502,325
9/1/2018	3,956,750	4,546,855	8,503,605
9/1/2019	3,956,750	4,543,676	8,500,426
9/1/2020	3,956,750	4,545,970	8,502,720
9/1/2021	3,956,750	4,547,530	8,504,280
9/1/2022	3,956,750	4,543,670	8,500,420
9/1/2023	3,956,750	4,542,894	8,499,644
9/1/2024	3,956,750	4,546,078	8,502,828
9/1/2025	7,731,750	772,486	8,504,236
9/1/2026	8,503,000	-	8,503,000
9/1/2027	8,501,250	-	8,501,250
9/1/2028	8,502,750	-	8,502,750
9/1/2029	8,501,750	-	8,501,750
9/1/2030	8,502,750	-	8,502,750
9/1/2031	8,505,000	-	8,505,000
9/1/2032	8,502,750	-	8,502,750
9/1/2033	8,505,500	-	8,505,500
9/1/2034	8,502,250	-	8,502,250
9/1/2035	8,502,500	-	8,502,500
9/1/2036	8,500,250	-	8,500,250
9/1/2037	8,499,750	-	8,499,750
Totals	141,052,548	37,497,435	178,549,983

(1) Preliminary, Subject to Change

(2) Assumes September 1, 2016 payments made prior to the closing date of the proposed refunding

Successor Agency to the Redevelopment Agency of the City of Stockton

Aggregate Savings ⁽¹⁾

11

Date	Total Prior Issues Debt Service	Total Refunding Issues Debt Service	Total Periodic (Savings) / Cost
10/4/2016 ⁽²⁾			
9/1/2017	10,579,535	8,502,325	(2,077,210)
9/1/2018	9,986,193	8,503,605	(1,482,589)
9/1/2019	10,661,425	8,500,426	(2,160,999)
9/1/2020	10,771,785	8,502,720	(2,269,065)
9/1/2021	8,067,181	8,504,280	437,099
9/1/2022	8,993,471	8,500,420	(493,051)
9/1/2023	9,501,514	8,499,644	(1,001,870)
9/1/2024	10,571,379	8,502,828	(2,068,551)
9/1/2025	10,572,884	8,504,236	(2,068,648)
9/1/2026	9,943,796	8,503,000	(1,440,796)
9/1/2027	10,007,951	8,501,250	(1,506,701)
9/1/2028	10,089,622	8,502,750	(1,586,872)
9/1/2029	10,191,975	8,501,750	(1,690,225)
9/1/2030	10,137,324	8,502,750	(1,634,574)
9/1/2031	10,210,261	8,505,000	(1,705,261)
9/1/2032	10,399,179	8,502,750	(1,896,429)
9/1/2033	10,471,655	8,505,500	(1,966,155)
9/1/2034	9,567,156	8,502,250	(1,064,906)
9/1/2035	9,135,008	8,502,500	(632,508)
9/1/2036	9,227,384	8,500,250	(727,134)
9/1/2037	4,995,664	8,499,750	3,504,086
Totals	\$ 204,082,342	\$ 178,549,983	\$ (25,532,359)

(1) Preliminary, Subject to Change

(2) Assumes September 1, 2016 payments made prior to the closing date of the proposed refunding

Sources and Uses of Funds^(*)

Sized for Aggregate Level Debt Service (as of May 6, 2016)						
	Dated Date		10/04/2016			
	Delivery Date		10/04/2016			
Sources:	2016 Refunding of 2003A COPs (Tax-Exempt)	2016 Refunding of 2003B COPs (Taxable)	2016 Refunding of 2004 Bonds (Tax-Exempt)	2016 Refunding of 2006A TABs (Tax-Exempt)	2016 Refunding of 2006C TABs (Taxable)	Total
Bond Proceeds:						
Par Amount	795,000.00	10,250,000.00	37,155,000.00	41,185,000.00	21,800,000.00	111,185,000.00
Premium	148,744.50	-	5,579,421.90	5,874,741.55	-	11,602,907.95
	<u>943,744.50</u>	<u>10,250,000.00</u>	<u>42,734,421.90</u>	<u>47,059,741.55</u>	<u>21,800,000.00</u>	<u>122,787,907.95</u>
Other Sources of Funds:						
Prior Debt Service Reserve Fund	81,853.00	919,932.00	3,596,582.00	4,866,326.00	2,126,660.00	11,591,353.00
	<u>1,025,597.50</u>	<u>11,169,932.00</u>	<u>46,331,003.90</u>	<u>51,926,067.55</u>	<u>23,926,660.00</u>	<u>134,379,260.95</u>
Uses:						
Refunding Escrow Deposits:						
Cash Deposit	0.80	1.03	0.75	0.39	1.02	3.99
SLGS Purchases	951,715.00	10,234,750.00	42,956,966.00	48,192,658.00	21,938,323.00	124,274,412.00
	<u>951,715.80</u>	<u>10,234,751.03</u>	<u>42,956,966.75</u>	<u>48,192,658.39</u>	<u>21,938,324.02</u>	<u>124,274,415.99</u>
Other Fund Deposits:						
Debt Service Reserve Fund	60,816.41	784,110.94	2,842,306.54	3,150,596.01	1,667,670.10	8,505,500.00
Delivery Date Expenses:						
Cost of Issuance	3,335.60	43,006.03	155,891.60	172,800.30	91,466.47	466,500.00
Underwriter's Discount	7,940.92	107,507.68	371,124.75	411,378.62	228,650.46	1,126,602.43
	<u>11,276.52</u>	<u>150,513.71</u>	<u>527,016.35</u>	<u>584,178.92</u>	<u>320,116.93</u>	<u>1,593,102.43</u>
Other Uses of Funds:						
Contingency	1,788.77	556.32	4,714.26	-1,365.77	548.95	6,242.53
	<u>1,025,597.50</u>	<u>11,169,932.00</u>	<u>46,331,003.90</u>	<u>51,926,067.55</u>	<u>23,926,660.00</u>	<u>134,379,260.95</u>

(*) Assumes market interest rates as of May 5, 2016 - preliminary, subject to change

NPV Savings By Series^(*)

	Sized for Aggregate Level Debt Service (as of May 6, 2016)					
	2016 Refunding of 2003A COPs (Tax-Exempt)	2016 Refunding of 2003B COPs (Taxable)	2016 Refunding of 2004 Bonds (Tax-Exempt)	2016 Refunding of 2006A TABs (Tax-Exempt)	2016 Refunding of 2006C TABs (Taxable)	Total
Dated Date	10/04/2016	10/04/2016	10/04/2016	10/04/2016	10/04/2016	10/04/2016
Delivery Date	10/04/2016	10/04/2016	10/04/2016	10/04/2016	10/04/2016	10/04/2016
Arbitrage Yield	3.250362%	2.547214%	3.250362%	3.250362%	3.829219%	3.250362%
Escrow Yield	0.183724%	0.183726%	0.183727%	0.183727%	0.183727%	0.183727%
Value of Negative Arbitrage	2,328.25	19,335.94	105,088.49	117,896.93	63,694.27	308,343.88
Bond Par Amount	795,000.00	10,250,000.00	37,155,000.00	41,185,000.00	21,800,000.00	111,185,000.00
True Interest Cost	2.745581%	3.157282%	3.743656%	3.893227%	4.030268%	3.829440%
Net Interest Cost	3.011846%	3.134892%	4.047450%	4.201840%	4.016240%	4.103388%
All-In TIC	2.794219%	3.404038%	3.778331%	3.925548%	4.111428%	3.871041%
Average Coupon	5.000000%	2.549032%	5.000000%	5.000000%	3.839924%	4.859046%
Average Life	8.908	1.790	14.716	16.620	5.949	12.469
Par amount of refunded bonds	945,000.00	10,145,000.00	42,615,000.00	47,775,000.00	21,685,000.00	123,165,000.00
Average coupon of refunded bonds	4.301344%	5.265107%	4.902946%	5.214332%	6.870000%	5.398668%
Average life of refunded bonds	9.871	10.116	12.996	12.000	12.668	12.291
PV of prior debt	1,080,885.63	12,574,150.69	50,148,045.21	56,591,765.35	28,102,748.76	-
Net PV Savings	117,893.31	2,188,885.95	3,168,438.77	4,902,478.76	5,844,307.81	16,222,004.60
Percentage savings of refunded bonds	12.475483%	21.576007%	7.435032%	10.261599%	26.950924%	13.170953%
Percentage savings of refunding bonds	14.829347%	21.354985%	8.527624%	11.903554%	26.808751%	14.590102%

^(*) Assumes market interest rates as of May 5, 2016 - preliminary, subject to change

Tentative Financing Schedule

Task	Date	Status
Successor Agency Approval	June 28	Done
Oversight Board Approval	June 29	Done
DOF Refunding Plan Review	July – Aug	
Successor Agency Approval (POS and BPA)	July 26	
Rating Agency and Bond Insurer Review	Week of Aug 22 nd	
Ratings Release / Bond Insurance Commitment	Week of Sept 12 th	
Print and Post Preliminary Official Statement		
Pre-Pricing / Pricing	Week of Sept 26 th	
Print and Post Final Official Statement and Execute Final Documents	Week of Oct 3 rd	
Closing and Transfer of Funds	Week of Oct 11 th	

INDENTURE OF TRUST

by and between

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF
STOCKTON**

and

**WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee**

Dated as of [_____] 1, 2016

relating to

[\$PAR]

**Successor Agency to the Redevelopment Agency of the City of Stockton
2016 Tax Allocation Refunding Bonds**

**[\$_____]
Series A**

**[\$_____]
Taxable Series B**

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THIS INDENTURE OF TRUST, dated as of [_____] 1, 2016 (the “Indenture”), by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF STOCKTON (the “Agency”), as successor to the former Redevelopment Agency of the City of Stockton (the “Former RDA”), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States and authorized to accept and execute trusts of the character herein set out with a corporate trust office located in San Francisco, California, as trustee (the “Trustee”),

WITNESSETH:

WHEREAS, the Former RDA was a redevelopment agency, a public body, corporate and politic duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California and referred to herein as the “Law”) and the powers of such agency included the power to issue bonds for any of its corporate purposes; and

WHEREAS, redevelopment plans for the redevelopment projects known and designated as the “Waterfront Merger Redevelopment Project,” the “Midtown Merged Redevelopment Project,” the “North Stockton Redevelopment Project,” and the “South Stockton Merged Redevelopment Project” have each been adopted and approved and all requirements of law for, and precedent to, the adoption and approval of said plans have been duly complied with; and

WHEREAS, California Assembly Bill No. 26 (First Extraordinary Session) (“ABX1 26”) adopted on June 29, 2011, dissolved all redevelopment agencies and community development agencies in existence in the State of California, as of February 1, 2012, and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies; and

WHEREAS, pursuant to California Health and Safety Code Section 34173(d), the City of Stockton, California (the “City”) agreed to act as the successor agency to the Former RDA following the dissolution of the Former RDA on February 1, 2012, pursuant to Assembly Bill XI 26 (“AB 26”); and

WHEREAS, as provided in California Health and Safety Code Section 34173(g), the Agency is a separate public entity from the City, which provides for its governance, and the two entities shall not merge; and

WHEREAS, Assembly Bill No. 1484 (“AB 1484”), a follow on bill to AB X1 26, was enacted on June 27, 2012, and provides a mechanism to refund outstanding bonds or other indebtedness under certain circumstances and to renegotiate contracts, agreements and other arrangements of the Former Agency to reduce liabilities and increase net revenues to certain taxing entities identified in California Health and Safety Code Section 34171(k); and

WHEREAS, Senate Bill No. 107 (“AB 107”), a follow on bill to AB 26 and AB 1484, was enacted on September 22, 2015, and provides additional terms and amendments for operations of a successor agency; and

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

WHEREAS, the City was previously a debtor in a bankruptcy case under chapter 9 of Title 11 of the United States Code, Case No. 2012-32118 in the United States Bankruptcy Court for the Eastern District of California, Sacramento Division, styled *In re City of Stockton, California* (the “Bankruptcy Case”);

WHEREAS, in connection with the effectiveness of the City’s Plan for the Adjustment of Debts of City of Stockton, California, as filed in connection with the Bankruptcy Case and subsequently amended (collectively, the “Plan”), the Agency entered into, among other agreements, the following two settlement agreements (collectively, the “Arena Settlement Agreements”): (i) that certain Forbearance Agreement, dated as of February 25, 2015, by and among the City, the Agency, National Public Finance Guarantee Corporation (“NPF”) and Wells Fargo Bank, National Association, as trustee (the “2004 Arena Trustee”) under an indenture relating to the Redevelopment Agency of the City of Stockton Revenue Bonds, Series 2004 (Stockton Events Center—Arena Project) (the “2004 Arena Bonds”), and (ii) that certain Amended and Restated Pledge Agreement, dated as of February 25, 2015, by and between the City and the Agency;

WHEREAS, in connection with the effectiveness of the Plan, the City entered into certain settlement agreements with creditors, including, among others, that certain Amended and Restated Stipulation and Settlement Agreement, dated as of July 1, 2014 (the “Ambac Settlement Agreement”), by and among the City, the Stockton Public Financing Authority, Ambac Assurance Corporation (“Ambac”) and Wells Fargo Bank, National Association, as trustee (the “2003 COPs Trustee”) under a trust agreement relating to the City of Stockton Certificates of Participation (Redevelopment Housing Projects), Series 2003A and City of Stockton Certificates of Participation (Redevelopment Housing Projects), Taxable Series 2003B (collectively, the “2003 COPs”), executed and delivered by the 2003 COPs Trustee;

WHEREAS, the Agency has determined to refund and defease obligations incurred in connection with the prior issuance of the following obligations in connection with certain redevelopment activities of the Former RDA: (1) all Former RDA and Agency obligations relating to the 2003 COPs, including the Ambac Settlement Agreement; (2) all Former RDA and Agency obligations relating to the (the “Series 2004 Bonds”), including the Arena Settlement Agreements; (3) all Former RDA and Agency obligations relating to Stockton Public Financing Authority Revenue Bonds (Redevelopment Projects), 2006 Series A (the “Series 2006A Bonds”); and (4) all Former RDA and Agency obligations relating to Stockton Public Financing Authority Taxable Revenue Bonds (Housing Projects), 2006 Series C (the “Series 2006C Bonds” and, collectively, the “Refunded Obligations”); and

WHEREAS, the Agency has determined to issue its Successor Agency to the Redevelopment Agency of the City of Stockton 2016 Tax Allocation Refunding Bonds, Series A (the “Series 2016A Bonds”) and 2016 Tax Allocation Refunding Bonds, Taxable Series B (the “Series 2016B Bonds” and, together with the Series 2016A Bonds, the “Series 2016 Bonds”), in order to refund the Refunded Obligations, fund [the purchase of a Qualified Reserve Account Credit Instrument for / a deposit to] the reserve account for the Series 2016 Bonds and pay the costs of issuance of the Series 2016 Bonds; and

WHEREAS, the Bonds (as defined herein) will be payable from amounts on deposit in, and secured by a pledge of, and lien on, Tax Revenues (as defined herein) and certain moneys deposited from time to time in the Redevelopment Property Tax Trust Fund (as defined herein) established pursuant to subdivision (c) of Section 34172 of the California Health and Safety Code; and

WHEREAS, all conditions, things and acts required by law to exist, happen and be performed precedent to and in connection with the issuance of the Series 2016 Bonds exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Agency is now duly empowered to issue the Series 2016 Bonds;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under the 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 are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Agency does hereby covenant and agree with the Trustee, for the benefit of the respective owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

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

“**Additional Bonds**” shall mean all tax allocation bonds of the Agency authorized and executed pursuant to the Indenture and issued and delivered in accordance with Article IV.

“**Agency**” shall mean the Successor Agency to the Redevelopment Agency of the City of Stockton, as successor to the Former RDA in accordance with the Dissolution Act.

“**Annual Debt Service**” shall mean, for each Bond Year, the sum of (a) the interest due on the Outstanding Bonds and any Parity Debt in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of mandatory sinking fund redemptions), and (b) the scheduled principal amount of the Outstanding Bonds due in such Bond Year (including any mandatory sinking fund redemptions due in such Bond Year).

“Authorized Denomination” shall mean \$5,000 principal amount of Bonds, or any integral multiple thereof.

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

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

“Bond Insurance Policy” [and **“2016 Bond Insurance Policy”**] have the following meanings: “Bond Insurance Policy” shall mean, as the context suggests, each of the insurance policies or the applicable insurance policy [including, without limitation, the 2016 Bond Insurance Policy,] issued by the Bond Insurer guaranteeing the scheduled payment of principal of, and the interest when due on, the applicable Series of Bonds. [“2016 Bond Insurance Policy” shall mean, respectively, the Municipal Bond Insurance Policy guaranteeing the scheduled payment of principal of, and the interest when due on, the Insured Series 2016A Bonds and the Insured Series 2016B Bonds, issued by the 2016 Bond Insurer and dated [____ _], 2016.]

“Bond Insurer” and **“[2016 Bond Insurer]”** have the following meanings: “Bond Insurer” shall mean the issuer or issuers of a policy or policies of municipal bond insurance obtained by the Agency to insure the payment of principal of and interest on a Series of Bonds issued under this Indenture, when due otherwise than by acceleration, and which, in fact, are at any time insuring such Series of Bonds. [“2016 Bond Insurer” shall mean Bond Insurer, or any successor thereto or assignee thereof, as insurer of the Insured Series 2016 Bonds and issuer of the 2016 Reserve Policy.]

“Bond Register” shall mean the registration books specified as such in Section 2.13 hereof.

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

“Bonds” shall mean the Series 2016 Bonds and all Additional Bonds.

“Business Day” shall mean a day of the year on which banks in San Francisco, California, and any other place in which the Corporate Trust Office of the Trustee is located are not required or authorized to remain closed and on which the New York Stock Exchange is not closed.

“City” shall mean the City of Stockton, California.

“City Council” shall mean the City Council of the City.

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

“Compliance Costs” shall mean those costs incurred by the Agency or the Trustee in connection with their compliance with the Indenture and the Continuing Disclosure Agreement that are chargeable against the Redevelopment Property Tax Trust Fund as provided in Section 5.01 and 6.16, including legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, amounts to reimburse the Bond Insurer for draws on its Bond Insurance Policy [(including any other amounts due to the 2016 Bond Insurer)], and Qualified Reserve Account Credit Instruments, and all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code in accordance with Section 6.11 and the Tax Certificate.

“Consultant’s Report” shall mean a report signed by an Independent Financial Consultant or an Independent Redevelopment Consultant, as may be appropriate to the subject of the report, and including:

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

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

(3) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said Independent Financial Consultant or Independent Redevelopment Consultant to express an informed opinion with respect to the subject matter referred to in the report.

“Continuing Disclosure Agreement” shall mean that Continuing Disclosure Agreement, by and between the Agency and the Trustee, as dissemination agent, dated as of [_____] 1, 2016, relating to the Series 2016 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Corporate Trust Office” shall mean such corporate trust office of the Trustee as may be designated from time to time by written notice from the Trustee to the Agency, initially being such office located in San Francisco, California, or such other office designated by the Trustee from time to time as its Corporate Trust Office.

“Costs of Issuance Fund” shall mean the Fund by that name established pursuant to Section 5.06 hereof.

“Costs of Issuance” shall mean all items of expense directly or indirectly payable by or reimbursable to the Agency or the City and related to the authorization, issuance, sale and delivery of the Bonds and the refunding of the Refunded Obligations, including but not limited to publication and printing costs, costs of preparation and reproduction of documents, filing and recording fees, fees and charges of the Trustee and the Escrow Agent, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds and the refunding of the Refunded Obligations as provided in a Costs of Issuance invoice transmitted by the Agency (which may include costs and expenses of the Agency and the City) to the Agency and the Trustee at the time

of the original issuance of the Bonds to be paid from proceeds of the Bonds in accordance with Section 3.01 or as provided in a Supplemental Indenture.

“County” shall mean the County of San Joaquin, a political subdivision of the State of California.

“County Auditor-Controller” shall mean the Auditor-Controller of the County of San Joaquin.

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

“DOF” shall mean the State of California Department of Finance.

“Escrow Agent” shall mean [_____].

“Escrow Agreement” shall mean the Escrow Agreement, dated as of the date hereof, by and between the Escrow Agent and the Agency.

“Event of Default” shall mean any of the events specified in Section 10.01.

“Expense Account” shall mean the account established pursuant to Section 5.03 hereof.

“Federal Securities” shall mean (a) non-callable direct obligations of the United States of America (“United States Treasury Obligations”), and (b) evidences of ownership of proportionate interests in future interest and principal payments on United States Treasury Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying United States Treasury Obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

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

“Former RDA” shall mean the former Redevelopment Agency of the City of Stockton.

“Indenture” shall mean this Indenture as amended and supplement by all Supplemental Indentures.

“Independent Certified Public Accountant” shall mean any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State of California, appointed and paid by the Agency, and who, or each of whom:

- (1) is in fact independent and not under the domination of the Agency;
- (2) does not have any substantial interest, direct or indirect, with the Agency; and

(3) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other audits of the books of or reports to the Agency.

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

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

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

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

[“Insured Series 2016 Bonds” shall mean the Insured Series 2016A Bonds and the Insured Series 2016B Bonds.]

[“Insured Series 2016A Bonds” shall mean the Series 2016A Bonds [maturing on September 1 in the years 20[] through 20[], inclusive].]

[“Insured Series 2016B Bonds” shall mean the Series 2016B Bonds [maturing on September 1 in the years 20[] through 20[], inclusive].]

“Interest Account” shall mean the account maintained within the Tax Increment Fund pursuant to Section 5.03 of the Indenture.

“Interest Payment Date” shall mean any March 1 or September 1 on which interest on any Series of Bonds is scheduled to be paid, commencing March 1, 2017, with respect to the Series 2016 Bonds.

“Investment Agreement” shall mean an investment agreement or guaranteed investment contract meeting the description and the requirements contained in clause (10) of the definition of Permitted Investments herein.

“Investment Earnings” shall mean all interest earned and any realized gains and losses on the investment of moneys in any fund or account created by the Indenture or by any Supplemental Indenture.

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

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

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

“Officer’s Certificate” shall mean a certificate signed by the Executive Director of the Agency, or the Secretary of the Agency acting for the Agency.

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

- (1) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;
- (2) Bonds paid or deemed to have been paid within the meaning of Section 11.02; and
- (3) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Agency pursuant to the Indenture.

“Oversight Board” shall mean the oversight board of the Agency duly constituted from time to time pursuant to Section 34179 of the Dissolution Act.

“Owner” or **“Bondowner”** whenever employed herein shall mean the person in whose name such Bond shall be registered.

“Parity Debt” shall mean any additional tax allocation bonds, notes, interim certificates, debentures or other obligations issued by the Agency as permitted by the Indenture payable out of Tax Revenues and ranking on a parity with the Bonds.

[“Permitted Investments” shall mean any of the following to the extent then permitted by the general laws of the State of California applicable to investments by successor agencies:

- (1) (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“United States Treasury Obligations”), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of

principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank, trust company or bank holding company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated (collectively “United States Obligations”). These include, but are not necessarily limited to:

- U.S. Treasury obligations
All direct or fully guaranteed obligations
- General Services Administration
Participation certificates
- U.S. Maritime Administration
Guaranteed Title XI financing
- Small Business Administration
Guaranteed participation certificates
- Guaranteed pool certificates
- Government National Mortgage Association (GNMA)
GNMA-guaranteed mortgage-backed securities
GNMA-guaranteed participation certificates
- U.S. Department of Housing & Urban Development
Local authority bonds

(2) Obligations of instrumentalities or agencies of the United States of America limited to the following: (a) the Federal Home Loan Bank Board (“FHLB”); (b) the Federal Home Loan Mortgage Corporation (“FHLMC”); (c) the Federal National Mortgage Association (FNMA); (d) Federal Farm Credit Bank (“FFCB”); (e) Government National Mortgage Association (“GNMA”); and (f) guaranteed portions of Small Business Administration (“SBA”) notes.

(3) Commercial paper having original maturities of not more than 270 days, payable in the United States of America and issued by corporations that are organized and operating in the United States with total assets in excess of \$500 million and having “A” or better rating for the issuer’s long-term debt as provided by S&P and “A-1” or better rating for the issuer’s short-term debt as provided by S&P.

(4) The San Joaquin County Treasury Pool.

(5) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as “bankers’ acceptances,” having original maturities of not more than 180 days. The institution must have a minimum short-term debt rating of “P-1” by S&P, and a long-term debt rating of no less than “A” by S&P.

(6) Shares of beneficial interest issued by diversified management companies, known as money market funds, registered with the U.S. Securities and Exchange Commission under the

Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) and whose fund has received the highest possible rating from S&P and at least one other Rating Agency.

(7) Certificates of deposit issued by a nationally- or state-chartered bank or a state or federal association (as defined by Section 5102 of the California Financial Code) or by a state-licensed branch of a foreign bank, in each case which has, or which is a subsidiary of a parent company which has, obligations outstanding having a rating in the “A” category or better from S&P.

(8) Pre-refunded municipal obligations rated “AAA” by S&P meeting the following requirements:

(a) the municipal obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(c) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“Verification”);

(d) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(e) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(f) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(9) Repurchase agreements which have a maximum maturity of 30 days, or due on demand, and are fully secured at or greater than 102% of the market value plus accrued interest by obligations of the United States Government, its agencies and instrumentalities, in accordance with number (2) above.

(10) Investment agreements and guaranteed investment contracts with issuers having a long-term debt rating of at least “AA-” by S&P.

(11) Local Agency Investment Fund (established under Section 16429.1 of the California Government Code), provided that such investment is held in the name and to the credit

of the Trustee, and provided further that the Trustee may restrict such investment if required to keep moneys available for the purposes of the Indenture.

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

“Principal Account” shall mean the account maintained within the Tax Increment Fund pursuant to Section 5.03 of the Indenture.

“Principal Installment” shall mean, with respect to any Principal Payment Date, the principal amount of Outstanding Bonds (including mandatory sinking fund payments) due on such date, if any.

“Principal Corporate Trust Office” shall mean the office of the Trustee in [San Francisco], California, except that with respect to presentation of Bonds for payment, transfer or exchange, such term shall mean the corporate trust office of the Trustee in [City], [State], or such other offices as it shall designate from time to time.

“Principal Payment Date” shall mean any September 1 on which principal of any Series of Bonds is scheduled to be paid, commencing on September 1, 20[___] with respect to the Series 2016 Bonds.

“Project Areas” shall mean the project areas described in the Redevelopment Plans.

“Qualified Reserve Account Credit Instrument” shall mean (i) the 2016 Reserve Policy or (ii) an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Trustee pursuant to Section 5.03(d) provided that all of the following requirements are met by the Agency at the time of delivery thereof to the Trustee: (a) S&P or Moody's has assigned a long-term credit rating to such bank or insurance company of “A” (without regard to modifier) or higher; (b) such letter of credit or surety bond has a term of at least twelve (12) months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Account Requirement with respect to which funds are proposed to be released pursuant to Section 5.03(d); (d) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account, the Principal Account or the Term Bonds Sinking Account for the purpose of making payments required pursuant to Section 5.03(d); and (e) prior written notice is given to the Trustee before the effective date of any such Qualified Reserve Account Credit Instrument.

“Rebate Fund” shall mean the Rebate Fund established pursuant to Section 6.11 hereof.

“Rebate Instructions” shall mean those calculations and directions required to be delivered to the Trustee by the Agency pursuant to the Tax Certificate.

“Rebate Requirement” shall mean the Rebate Requirement defined in the Tax Certificate.

“Recognized Obligation Payment Schedule” or “ROPS” shall mean a Recognized Obligation Payment Schedule, setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each fiscal year as provided in subdivision (o) of Section 34177 of the Dissolution Act, each prepared and approved from time to time pursuant to the Dissolution Act.

“Redevelopment Obligation Retirement Fund” shall mean the fund by that name established pursuant to Section 34170.5(a) of the Law and administered by the Agency.

“Redevelopment Plans” shall mean the following redevelopment plans of the Former RDA in the City [CITY TO CONFIRM MOST RECENT ORDINANCES]: (i) the Waterfront Merger Redevelopment Project Area, approved by Ordinance No. 009-09, adopted by the City Council on June 23, 2009; (ii) the Amended and Restated Redevelopment Plan for the Midtown Merged Redevelopment Project Area, approved by Ordinance No. 034-02, adopted by the City Council on July 2, 2002; (iii) the North Stockton Redevelopment Project Area, approved by Ordinance No. 012-04, adopted by the City Council on July 13, 2004; and (iv) the South Stockton Merged Redevelopment Project Area, approved by Ordinance No. 036-02, adopted by the City Council on July 2, 2002; each together with all amendments thereto and thereafter made in accordance with the Law.

“Redevelopment Property Tax Trust Fund” shall mean the fund by that name established pursuant to Section 34170.5(b) of the Law and administered by the County Auditor-Controller.

“Refunded Obligations” shall have the meaning ascribed to such term in the recitals to this Indenture.

“Regulations” shall mean temporary and permanent regulations promulgated or applicable under Section 103 and all related provisions of the Code.

“Related Documents” shall mean the Indenture and any other document executed by the Agency in connection with the issuance of the Series 2016 Bonds including, without limitation, the Series 2016 Bonds issued hereunder.

“Reserve Account” shall mean the account maintained within the Tax Increment Fund pursuant to Section 5.03 of the Indenture.

[**“Reserve Account Requirement”** shall mean as of the date of any calculation, with respect to all Outstanding Bonds an amount equal to the lesser of (i) the Maximum Annual Debt Service attributable to the Outstanding Bonds or (ii) 125% of Average Annual Debt Service attributable to the Outstanding Bonds; provided however, that the Reserve Account Requirement when issuing a new Series of Bonds shall be the lesser of (i) or (ii) above, but limited to the addition to the Reserve Account of no more than 10% of the proceeds from the sale of such new Series of Bonds.]

“Responsible Officer” shall mean any officer in the corporate trust department of the Trustee having direct responsibility for administration of this Indenture.

“ROPS Payment Period” shall mean a ROPS Period; provided, that if the Dissolution Act is hereafter amended such that each ROPS Period covers a fiscal period of a different length, then “ROPS Payment Period” shall mean the period during which moneys distributed on a RPTTF Distribution Date are permitted to be expended under the Dissolution Act, as amended.

“ROPS Period” shall mean the twelve-month period from July 1 to June 30, inclusive as provided in subdivision (o) of Section 34177 of the Dissolution Act; provided, that if the Dissolution Act is hereafter amended such that each ROPS covers a fiscal period of a different length, then “ROPS Period” shall mean such other applicable period established under the Dissolution Act, as amended.

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

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

“Securities Depository” shall mean, initially, The Depository Trust Company, New York, N.Y., or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depositories, or no such depositories, as designated by the Trustee.

“Serial Bonds” shall mean Bonds for which no Sinking Account Installments are provided.

“Series” shall mean each initial series of Series 2016 Bonds executed, authenticated and delivered and identified pursuant to the Indenture as the Series 2016A Bonds and the Series 2016B Bonds and any Additional Bonds issued pursuant to a Supplemental Indenture and identified as a separate series of Bonds.

“Series 2016A Bonds” shall mean the Successor Agency to the Redevelopment Agency of the City of Stockton 2016 Tax Allocation Refunding Bonds, Series A.

“Series 2016B Bonds” shall mean the Successor Agency to the Redevelopment Agency of the City of Stockton 2016 Tax Allocation Refunding Bonds, Taxable Series B.

“Series 2016 Bonds” shall mean, collectively, the Series 2016A Bonds and the Series 2016B Bonds.

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

“Sinking Account Payment Date” shall mean any September 1 on which Sinking Account Installments on Term Bonds are scheduled to be paid, as set forth in the Indenture.

“**S&P**” shall mean Standard & Poor’s Financial Services LLC and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then “S&P” shall be deemed to refer to any other nationally-recognized rating agency selected by the Agency.

“**Substitute Depository**” shall mean the substitute depository as defined in Section 2.12.

“**Supplemental Indenture**” shall mean any indenture amending or supplementing the Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“**2016 Reserve Policy**” shall mean the Municipal Bond Debt Service Reserve Insurance Policy issued by the 2016 Bond Insurer and dated [____ _], 2016.]

“**Tax Certificate**” shall mean that certificate and agreement, relating to various federal tax requirements, including the requirements of Section 148 of the Code, signed by the Agency on the date the Tax Exempt Bonds and the Series 2016A Bonds are issued, as the same may be amended or supplemented in accordance with its terms.

“**Tax Exempt**” shall mean, with respect to interest on any obligations of a state or local government, that such interest is excluded from the gross income of the owners thereof for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

“**Tax Increment Fund**” shall mean the fund established pursuant to Section 5.01 hereof.

“**Tax Revenues**” shall mean all taxes annually allocated and paid to the Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law, Section 16 of Article XVI of the Constitution of the State and other applicable state laws and as provided in the Redevelopment Plans available for or deposited into the RPTTF, but (i) excluding amounts, if any, payable pursuant to Section 33607.5 and Section 33607.7 of the Law, but only to the extent such amounts are not subordinated to the payment of debt service on the Bonds (including by reason of any subordination pursuant to Section 34177.5 of the Law), [(ii) the fiscal agreements entered into by the Agency with (a) the San Joaquin County Superintendent of Schools, (b) the San Joaquin Delta Community College District, and (c) collectively, the County of San Joaquin, the San Joaquin County Flood Control District, and the San Joaquin County Flood Control District – Zone 9].

If, and to the extent, that the provisions of Section 34172 or paragraph (2) of subdivision (a) of Section 34183 of the Dissolution Act are invalidated at any time as a result of legislative or judicial process, then Tax Revenues will include all tax revenues allocated to the payment of indebtedness pursuant to California Health and Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution.

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

“Term Bonds Sinking Account” shall mean the account maintained within the Tax Increment Fund pursuant to Section 5.03 of the Indenture.

“Trustee” shall mean Wells Fargo Bank, National Association, appointed by the Agency in Section 7.01 and acting with the duties and powers herein provided, and its successors and assigns, or any other corporation or association which may at any time be substituted in its place, as provided in Section 7.02.

“2003 COPs” shall mean the City of Stockton Certificates of Participation (Redevelopment Housing Projects), Series 2003A and City of Stockton Certificates of Participation (Redevelopment Housing Projects), Taxable Series 2003B.

“2003 COPs Trustee” shall mean Wells Fargo Bank, National Association, as trustee under that certain Trust Agreement, dated as of June 1, 2003, by and between the Stockton Public Financing Authority and the 2003 COPs Trustee, as supplemented, relating to the 2003 COPs.

“2004 Arena Bonds” shall mean the Redevelopment Agency of the City of Stockton Revenue Bonds, Series 2004 (Stockton Events Center—Arena Project).

“2004 Arena Trustee” shall mean Wells Fargo Bank, National Association, as trustee under that certain Indenture of Trust, dated as of March 1, 2004, by and between the Former RDA and the 2004 Arena Trustee, as supplemented, relating to the 2004 Arena Bonds.

“2006A Trustee” shall mean Wells Fargo Bank, National Association, as trustee under that certain Indenture of Trust, dated as of July 1, 2006, by and between the former RDA and the Stockton Public Financing Authority, relating to the 2006A Bonds.

“2006A Bonds” shall mean the Stockton Public Financing Authority Revenue Bonds (Redevelopment Projects), 2006 Series A.

“2006C Bonds” shall mean the Stockton Public Financing Authority Taxable Revenue Bonds (Housing Projects), 2006 Series C.

“2006C Trustee” shall mean Wells Fargo Bank, National Association, as trustee under that certain Indenture of Trust, dated as of July 1, 2006, by and between the former RDA and the Stockton Public Financing Authority, relating to the 2006C Bonds.

“Verification Report” shall mean a report of an independent firm of nationally recognized certified public accountants, or such other firm as shall be acceptable to the Bond Insurer, addressed to the Agency, the Trustee and the Bond Insurer, verifying the sufficiency of the escrow established to pay Bonds in full at maturity or on a redemption date.

“Written Request of the Agency” shall mean an instrument in writing signed by the Executive Director of the Agency or the Secretary of the Agency acting for the Agency, or by any other officer of the Agency duly authorized by the Agency for that purpose.

Section 1.02 Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, the Indenture shall be deemed to be and shall constitute a contract between the

Agency and the Owners from time to time of all Bonds issued hereunder and then Outstanding to secure the full and final payment of the interest on and principal of and redemption premiums, if any, on all Bonds authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions herein contained; and the agreements and covenants herein set forth to be performed on behalf of the 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 Bonds over any other Bonds.

ARTICLE II

THE BONDS; CERTAIN PROVISIONS OF THE BONDS

Section 2.01 General Authorization; Bonds. The Series 2016 Bonds and Additional Bonds may be issued at any time under and subject to the terms of the Indenture. The Agency has reviewed all proceedings heretofore taken relative to the authorization of the Series 2016 Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, happen or be performed precedent to and in connection with the issuance of the Series 2016 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Agency is now duly authorized, pursuant to each and every requirement of law, to issue the Series 2016 Bonds in the manner and form provided in the Indenture. Accordingly, the Agency hereby authorizes the issuance of the Series 2016 Bonds for the purposes set forth in the preamble of the Indenture.

Section 2.02 Terms of Series 2016 Bonds. The Series 2016 Bonds authorized to be issued by the Agency under and subject to the terms of the Indenture and the Law shall be designated the “Successor Agency to the Redevelopment Agency of the City of Stockton 2016 Tax Allocation Refunding Bonds, Series A” and shall be in the aggregate principal amount of \$[_____] and the “Successor Agency to the Redevelopment Agency of the City of Stockton 2016 Tax Allocation Refunding Bonds, Taxable Series B” and shall be in the aggregate principal amount of \$[_____]. The Series 2016 Bonds shall be issued as fully registered bonds in denominations of \$5,000, or any integral multiple thereof (not exceeding the principal amount of such Bonds maturing at any one time). The Bonds shall be registered initially in the name of “Cede & Co.,” as nominee of the Securities Depository and shall be evidenced by one bond for each maturity of Bonds in the principal amount of the respective maturities of Bonds. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except as set forth herein.

Payment of interest on the Series 2016 Bonds shall be made to Cede & Co. as registered owner, or such other person whose name appears on the bond registration books of the Trustee as the registered owner of the Series 2016 Bonds, as of the close of business on the fifteenth (15th) day of the calendar month preceding the Interest Payment Date (the “Record Date”), except with respect to defaulted interest for which a special record date will be established, provided, that in the case of an owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Bonds, upon written request of such owner to the Trustee received not later than the Record Date, such interest shall be paid on the interest payment date in immediately available funds by wire transfer.

Each Series of Series 2016 Bonds shall be numbered in consecutive numerical order from R1 upwards. Each Series of Series 2016 Bonds shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication is an Interest Payment Date, in which event they shall bear interest from such Interest Payment Date, or unless such date of authentication is prior to the first Interest Payment Date, in which event they shall bear interest from [____], 2016, provided, however, that if, at the time of authentication of any Series 2016 Bond, interest is then in default on such Series of Series 2016 Bond, such Series of Series 2016 Bond shall bear interest from the Interest Payment Date to which interest previously has been paid or made available for payment. Interest on the Series 2016 Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2016A Bonds shall be dated their date of initial delivery and shall bear interest at the rates specified in the table below, such interest being payable on each Interest Payment Date, and shall mature on the Principal Payment Dates in the following years in the following principal amounts, namely:

Maturity Date (September 1)	Principal Amount	Interest Rate
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* [Insured Series 2016A Bonds].

The Series 2016B Bonds shall be dated their date of initial delivery and shall bear interest at the rates specified in the table below, such interest being payable on each Interest Payment Date, and shall mature on the Principal Payment Dates in the following years in the following principal amounts, namely:

Maturity Date (September 1)	Principal Amount	Interest Rate
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* [Insured Series 2016B Bonds].

Principal and redemption premiums, if any, on the Series 2016 Bonds shall be payable in immediately available funds. Principal and redemption premiums, if any, and interest on the Series 2016 Bonds shall be paid in lawful money of the United States of America.

Section 2.03 Form of Series 2016 Bonds. The Series 2016 Bonds, the Trustee's authentication and registration endorsement, and the assignment to appear thereon shall be substantially in the form attached hereto as Appendix A.

Section 2.04 Redemption of Series 2016 Bonds.

(a) **Optional Redemption of Series 2016A Bonds.** The Series 2016A Bonds maturing on or after September 1, 20[___], are subject to optional redemption before maturity on or after September 1, 20[___], at the option of the Agency, in whole or in part, on any date, at a redemption price equal to the principal amount of the Series 2016A Bonds to be redeemed, plus accrued but unpaid interest to the redemption date.

(b) **Optional Redemption of Series 2016B Bonds.** [The Series 2016B Bonds maturing on or after September 1, 20[___], are subject to optional redemption before maturity on or after September 1, 20[___], at the option of the Agency, in whole or in part, on any date, at a redemption price equal to the principal amount of the Series 2016B Bonds to be redeemed, plus accrued but unpaid interest to the redemption date.]

Section 2.05 Notice of Redemption. In the case of any redemption of Bonds, the Trustee shall give notice, as hereinafter in this section provided, that Bonds, identified by serial numbers, Series and maturity date (and interest rate in the case of bifurcated maturities), have been called for redemption and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof that has been called for redemption (or if all the Outstanding Bonds are to be redeemed, so stating, in which event such serial numbers may be omitted), that they will be due and payable on the date fixed for redemption (specifying such date) upon surrender thereof at the Principal Corporate Trust Office, at the redemption price (specifying such price), together with any accrued interest to such date, and that all interest on the Bonds, the respective series of Bonds, or portions thereof, as applicable, so to be redeemed will cease to accrue on and after such date

and that from and after such date such Bond or such portion shall no longer be entitled to any lien, benefit or security under the Indenture, and the Owner thereof shall have no rights in respect of such redeemed Bond or such portion except to receive payment from such moneys of such redemption price plus accrued interest to the date fixed for redemption.

Such notice shall be mailed by first class mail, postage prepaid, at least twenty (20) but not more than sixty (60) days before the date fixed for redemption, to the Security Depository, the MSRB and the Owners of such Bonds, or portions thereof, so called for redemption, at their respective addresses as the same shall last appear on the Bond Register. No notice of redemption need be given to the Owner of a Bond to be called for redemption if such Owner waives notice thereof in writing, and such waiver is filed with the Trustee prior to the redemption date. Neither the failure of an Owner to receive notice of redemption of Bonds hereunder nor any error in such notice shall affect the validity of the proceedings for the redemption of Bonds.

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

Section 2.06 Selection of Bonds for Redemption. Whenever less than all the Outstanding Bonds of any one maturity are to be redeemed on any one date, the Trustee shall select the particular Bonds to be redeemed by lot [(subject in the case of such redemption of Insured Series 2016 Bonds to the prior written approval of the Bond Insurer)], and in selecting the Bonds for redemption the Trustee shall treat each Bond of a denomination of more than five thousand dollars (\$5,000) as representing that number of Bonds of five thousand dollars (\$5,000) denomination which is obtained by dividing the principal amount of such Bond by five thousand dollars (\$5,000), and the portion of any Bond of a denomination of more than five thousand dollars (\$5,000) to be redeemed shall be redeemed in an Authorized Denomination. The Trustee shall promptly notify the Agency in writing of the numbers of the Bonds so selected for redemption in whole or in part on such date.

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

If any Bond or any portion thereof shall have been duly called for redemption and payment of the redemption price, together with unpaid interest accrued to the date fixed for redemption, shall have been made or provided for by the Agency, then interest on such Bond or such portion shall cease to accrue from such date, and from and after such date such Bond or such portion shall

no longer be entitled to any lien, benefit or security under the Indenture, and the Owner thereof shall have no rights in respect of such Bond or such portion except to receive payment of such redemption price, and unpaid interest accrued to the date fixed for redemption.

Section 2.08 Purchase in Lieu of Redemption. In lieu of redemption of any Bond pursuant to the provisions of subsection (a) of Section 2.04 or Section 5.02 hereof, amounts on deposit in the Term Bonds Sinking Account may also be used and withdrawn by the Trustee at any time prior to selection of Bonds for redemption having taken place with respect to such amounts, upon a Written Request of the Agency, for the purchase of such Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges) as the Agency may in its discretion determine, but not in excess of par plus accrued interest. Any accrued interest payable upon the purchase of Bonds shall be paid from amounts held in the Tax Increment Fund for the payment of interest on the next following Interest Payment Date. Any Term Bonds so purchased shall be cancelled by the Trustee forthwith and shall not be reissued. The principal of any Term Bonds so purchased by the Trustee in any twelve-month period ending 60 days prior to any Sinking Account Payment Date in any year shall be credited towards and shall reduce the principal of such Term Bonds required to be redeemed on such Sinking Account Payment Date in such year.

Section 2.09 Execution of Bonds. The Executive Director of the Agency or his or her designee shall execute each of the Bonds on behalf of the Agency and the Secretary of the Agency, acting for the Agency, shall attest each of the Bonds on behalf of the Agency. Any of the signatures of the Executive Director of the Agency or the Secretary of the Agency may be by printed, lithographed or engraved facsimile reproduction. In case any officer whose signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes the same as though he had remained in office until such delivery of the Bonds. Any Bond may be signed and attested on behalf of the Agency by such persons as at the actual date of the execution of such Bond shall be the proper officers of the Agency although at the nominal date of such Bond any such person may not have been such officer of the Agency.

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

Section 2.10 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.12, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond at the Corporate Trust Office for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Trustee.

Whenever any Bond or Bonds shall be surrendered for transfer, the Agency shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds for a like aggregate principal amount of the same Series, interest rate and maturity date. The Trustee shall require the payment

by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

The Trustee shall not be required to register the transfer of any Bonds during the fifteen (15) days prior to the date of selection of the Bonds for redemption, or of any Bonds selected for redemption.

Section 2.11 Exchange of Bonds. The Bonds may be exchanged at the Corporate Trust Office for a like aggregate principal amount of Bonds of the same Series, interest rate and maturity date in other authorized denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee shall not be required to exchange any Bonds during the fifteen (15) days prior to the date of selection of the Bonds for redemption, or of any Bonds selected for redemption.

Section 2.12 Use of Depository. Notwithstanding any provision of the Indenture to the contrary:

(a) The Bonds shall be initially issued as provided in Section 2.01. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except:

(i) To any successor of the Securities Depository or its nominee, or to any substitute depository designated pursuant to clause (ii) of this subsection (a) (“Substitute Depository”); provided that any successor of the Securities Depository or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) To any Substitute Depository designated by the Agency and not objected to by the Trustee, upon (1) the resignation of the Securities Depository or its successor (or any Substitute Depository or its successor) from its functions as depository or (2) a determination by the Agency that the Securities Depository or its successor (or any Substitute Depository or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of the Securities Depository or its successor (or Substitute Depository or its successor) from its functions as depository; provided that no Substitute Depository which is not objected to by the Trustee can be obtained or (2) a determination by the Agency that it is in the best interests of the Agency to remove the Securities Depository or its successor (or any Substitute Depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) hereof, upon receipt of the Outstanding Bonds by the Trustee, together with a Written Request of the Agency to the Trustee, a single new Bond shall be executed and delivered in the aggregate principal amount of the Bonds then Outstanding, registered in the name of such successor or such Substitute Depository, or their nominees, as the case may be, all as specified in such Written Request of the Agency. In the case of any transfer pursuant to clause (iii) of subsection (a) hereof,

upon receipt of the Outstanding Bonds by the Trustee together with a Written Request of the Agency to the Trustee, new Bonds shall be executed and delivered in such denominations numbered in consecutive order and registered in the names of such persons as are requested in such a Written Request of the Agency, subject to the limitations of Section 2.02 hereof, provided the Trustee shall not be required to deliver such new Bonds within a period less than sixty (60) days from the date of receipt of such a Written Request of the Agency.

(c) In the case of partial redemption or an advance refunding of the Bonds evidencing all or a portion of the principal amount Outstanding, the Securities Depository shall make an appropriate notation on the Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Trustee.

(d) The Agency and the Trustee shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of the Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the Agency; and the Agency and the Trustee shall have no responsibility for transmitting payments to, communication with, notifying, or otherwise dealing with any beneficial owners of the Bonds. Neither the Agency nor the Trustee will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including the Securities Depository or its successor (or Substitute Depository or its successor), except for the Owner of any Bond.

(e) So long as the outstanding Bonds are registered in the name of Cede & Co. or its registered assign, the Agency and the Trustee shall cooperate with Cede & Co., as sole registered Owner, and its registered assigns in effecting payment of the principal of and redemption premium, if any, and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

Section 2.13 Bond Registration Books. (a) The Trustee will keep or cause to be kept sufficient books for the registration and transfer of the Bonds, which shall at all times, upon reasonable notice, be open to inspection by any Bondowner or his agent duly authorized in writing or the Agency; 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 such books, Bonds as hereinbefore provided.

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

(c) Upon initial issuance of the Bonds, the ownership of all such Bonds shall be registered in the registration records maintained by the Trustee pursuant to Section 2.12 in the name of Cede & Co.

Section 2.14 Mutilated, Destroyed, Stolen or Lost Bonds. In case any Bond shall become mutilated, or shall be believed by the Agency or the Trustee to have been destroyed, stolen or lost, upon proof of ownership satisfactory to the Trustee, and upon the surrender of such

mutilated Bond at the Corporate Trust Office or upon the receipt of evidence satisfactory to the Trustee of such destruction, theft or loss, and upon receipt also of indemnity for the Trustee and the Agency satisfactory to the Trustee, and upon payment by the Owner of all expenses incurred by the Agency and the Trustee, the Agency shall execute and the Trustee shall authenticate and deliver at said office a new Bond or Bonds of the same Series and maturity and for the same aggregate principal amount, of like tenor and date, bearing the same number or numbers, with such notations as the Trustee shall determine, in exchange and substitution for and upon cancellation of the mutilated Bond, or in lieu of and in substitution for the Bond so destroyed, stolen or lost.

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

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

Section 2.15 Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be affected in any way by any proceedings taken by the Agency at any time for the financing or refinancing of any redevelopment project financed with proceeds of the Refunded Obligations, or by any contracts made by the Agency in connection therewith, and shall not be dependent upon the completion of the financing such redevelopment project or upon the performance by any person of his obligation with respect to such redevelopment project, and the recital contained in the Bonds that the same are issued pursuant to the Law shall be conclusive evidence of their validity and of the regularity of their issuance.

ARTICLE III

APPLICATION OF PROCEEDS OF BONDS

Section 3.01 Application of Proceeds of Sale of Series 2016 Bonds -- Allocation Among Funds and Accounts. The proceeds of the sale of the Series 2016 Bonds shall be deposited with the Trustee and shall be held in trust and set aside or transferred by the Trustee as set forth below:

The proceeds (net of an allocable portion of underwriter's discount [and premiums paid to the 2016 Bond Insurer for its 2016 Reserve Policy and 2016 Bond Insurance Policy]) of the sale of the Series 2016A Bonds shall be deposited with the Trustee and shall be held in trust and set aside or transferred by the Trustee as follows:

- (a) The Trustee shall deposit in the Reserve Account established pursuant to Section 5.03(d) hereof [\$ _____ / the 2016 Reserve Policy];

(b) The Trustee shall transfer \$ _____ to [the 2003 COPs Trustee for deposit in the “Lease Payment Fund” held by the 2003 COPs Trustee / the ESCROW AGENT as provided in the ESCROW AGREEMENT]; and

(c) The Trustee shall transfer \$ _____ to [the 2004 Arena Trustee for deposit in the “Redemption Fund” held by the 2004 Arena Trustee / the ESCROW AGENT as provided in the ESCROW AGREEMENT]; and

(d) The Trustee shall transfer \$ _____ to [the 2006A Trustee for deposit in the “Revenue Fund” held by the 2006A Trustee / the ESCROW AGENT as provided in the ESCROW AGREEMENT]; and

(e) The Trustee shall transfer \$ _____ to the Costs of Issuance Fund for the payment of the Costs of Issuance allocable to the Series 2016A Bonds.

The proceeds [(net of an allocable portion of underwriter’s discount and premiums paid to the 2016 Bond Insurer for its 2016 Reserve Policy and 2016 Bond Insurance Policy)] of the sale of the Series 2016B Bonds shall be deposited with the Trustee and shall be held in trust and set aside or transferred by the Trustee as follows:

(a) The Trustee shall transfer \$ _____ to [the 2006C Trustee for deposit in the “Revenue Fund” held by the 2006C Trustee / the ESCROW AGENT as provided in the ESCROW AGREEMENT]; and

(b) [OTHERS]

(c) The Trustee shall transfer \$ _____ to the Costs of Issuance Fund for the payment of the Costs of Issuance allocable to the Series 2016B Bonds.

The Trustee may establish and use temporary funds or accounts in its records to facilitate and record such deposits and transfers.

ARTICLE IV

ISSUANCE OF ADDITIONAL BONDS

Section 4.01 Conditions for the Issuance of Additional Bonds. The Agency may at any time after the issuance and delivery of the Series 2016 Bonds hereunder issue Additional Bonds hereunder payable from the Tax Revenues and secured by a lien and charge upon the Tax Revenues equal to and on a parity with the lien and charge securing the Outstanding Bonds theretofore issued under the Indenture, for the purpose of refunding bonds or other indebtedness of the Agency or the Former RDA (including, without limitation, refunding Bonds outstanding under the Indenture) in accordance with the Law, including payment of all costs incidental to or connected with such refunding or providing for the funding of related reserves, but only subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

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

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

(i) The authorized principal amount of such Additional Bonds;

(ii) The date and the maturity date or dates of such Additional Bonds; provided that (i) Principal Payment Dates and Sinking Account Payment Dates may occur only on Interest Payment Dates, and (ii) fixed serial maturities or mandatory Sinking Account Installments, or any combination thereof, shall be established to provide for the retirement of all such Additional Bonds on or before their respective maturity dates;

(iii) The Interest Payment Dates for such Additional Bonds; provided that Interest Payment Dates shall be on the same semiannual dates as the Interest Payment Dates for Series 2016 Bonds;

(iv) The denomination and method of numbering of such Additional Bonds;

(v) The redemption premiums, if any, and the redemption terms, if any, for such Additional Bonds;

(vi) The amount and due date of each mandatory Sinking Account Installment, if any, for such Additional Bonds;

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

(viii) The form of such Additional Bonds; and

(ix) Such other provisions, as are necessary or appropriate and not inconsistent with the Indenture.

(c) Such Additional Bonds may be issued only for the purpose of refunding bonds or other indebtedness of the Agency or its Former RDA (including, without

limitation, refunding Bonds outstanding under the Indenture) in accordance with the Law, including payment of all costs incidental to or connected with such refunding and funding or providing for the funding of related reserves, and the payment of all costs incidental to or connected with such refunding, provided that the issuance of such Additional Bonds shall comply with the terms of California Health and Safety Code Section 34177.5.

Nothing contained in the Indenture shall limit the issuance of any tax increment bonds or other obligations of the Agency secured by a lien and charge on Tax Revenues junior to that of the Bonds.

Section 4.02 Procedure for the Issuance of Additional Bonds. All of the Additional Bonds shall be executed by the Agency for issuance under the Indenture and delivered to the Trustee and thereupon shall be delivered by the Trustee upon the Written Request of the Agency, but only upon receipt by the Trustee of the following documents or money or securities:

(a) A certified copy of the Supplemental Indenture authorizing the issuance of such Additional Bonds;

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

(c) An opinion of Bond Counsel to the effect that (1) the Agency has the right and power under the Law to enter into the Indenture and all Supplemental Indentures thereto, and the Indenture and all such Supplemental Indentures have been duly executed by the Agency and are valid and binding upon the Agency and enforceable against the Agency in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights, by application of equitable principles and by exercise of judicial discretion in appropriate cases), and no other authorization for the Indenture or such Supplemental Indentures is required; and (2) such Additional Bonds are valid and binding special obligations of the Agency, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights, by application of equitable principles and by exercise of judicial discretion in appropriate cases) and the terms of the Indenture and all Supplemental Indentures thereto and entitled to the benefits of the Indenture and all such Supplemental Indentures and the Law, and such Additional Bonds have been duly and validly authorized and issued in accordance with the Law and the Indenture and all such Supplemental Indentures;

(d) A Written Request of the Agency containing such statements as may be reasonably necessary to show compliance with the requirements of the Indenture; and

(e) Such further documents, money and securities as are required by the provisions of the Indenture and the Supplemental Indenture providing for the issuance of such Additional Bonds.

ARTICLE V

TAX REVENUES; CREATION OF FUNDS

Section 5.01 Pledge of Tax Revenues; Tax Increment Fund. Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Tax Revenues and all amounts on deposit from time to time in the funds and accounts established hereunder (other than the Expense Account and the Rebate Fund) are hereby pledged to the payment of the principal of and interest on the Outstanding Bonds and any Parity Debt as provided herein. The Agency hereby irrevocably grants to the Trustee for the benefit of [the 2016 Bond Insurer, the issuer of the 2016 Reserve Policy and] the Owners of the Outstanding Bonds a first charge and lien on, and a security interest in, and hereby pledges and assigns, the Tax Revenues, whether held by the Agency, the County Auditor-Controller or the Trustee, and all amounts in the funds and accounts established hereunder (other than the Expense Account and the Rebate Fund), including the “Successor Agency to the Redevelopment Agency of the City of Stockton Tax Increment Fund” (hereinafter called the “Tax Increment Fund”), which is hereby created by the Agency and which fund the Agency hereby covenants and agrees to maintain with the Trustee so long as any Bonds shall be Outstanding hereunder [or amounts are owed to the 2016 Bond Insurer or the issuer of the 2016 Reserve Policy], to the Trustee for the benefit of [the 2016 Bond Insurer, the issuer of the 2016 Reserve Policy and] the Owners of the Outstanding Bonds.

Notwithstanding the foregoing, there shall not be deposited with the Trustee for deposit in the Tax Increment Fund any taxes eligible for allocation to the Agency pursuant to the Law in an amount in excess of that amount which, together with all money then on deposit with the Trustee in the Tax Increment Fund and the accounts therein, shall be sufficient to discharge all Outstanding Bonds as provided in Article X hereof. No additional bonds payable from Tax Revenues on a basis senior to or on a parity with the Bonds will be issued except pursuant to Article IV of the Indenture.

The Agency covenants and agrees that all Tax Revenues, when and as received, will be received by the Agency in trust hereunder and will be transferred to the Trustee within a reasonable period of time from the receipt by the Agency thereof, for deposit by the Trustee in the Tax Increment Fund and will be accounted for through and held in trust in the Tax Increment Fund, and the Agency shall have no beneficial right or interest in any of such money, except only as specifically provided otherwise in the Indenture. All such Tax Revenues, whether received by the Agency and held in trust pending transfer or deposited with the Trustee, all as herein provided, shall nevertheless be disbursed, allocated and applied solely to the uses and purposes hereinafter set forth in the Indenture, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the Agency. Any Tax Revenues received by the Trustee in the Tax Increment Fund (other than amounts deposited in the Reserve Account) in excess of the amounts required to be held by the Trustee in the Tax Increment Fund shall be released from the pledge and lien hereunder and transferred to the Agency and may be used for any lawful purpose of the Agency.

Pursuant to the laws of the State of California, including California Health and Safety Code Sections 34183 and 34170.5(b), the County Auditor-Controller is obligated to deposit the Tax Revenues into the Redevelopment Property Tax Trust Fund. In furtherance of this Section 5.01

and the Dissolution Act, and in accordance with the County Auditor-Controller's obligations as set forth in California Health and Safety Code Section 34183, the Agency shall take all steps to ensure that the County Auditor-Controller (1) deposits the Tax Revenues into the Redevelopment Property Tax Trust Fund, (2) allocates funds for the principal and interest payments due on the Outstanding Bonds and any Parity Debt and any deficiency in the Reserve Account [(including amounts due to the issuer of the 2016 Reserve Policy)] pursuant to each valid Recognized Obligation Payment Schedule in accordance with the Dissolution Act and as provided in this Section 5.01, and (3) make the transfers to the Trustee required under Section 5.02 of the Indenture.

The Agency will take all actions required under the Dissolution Act to include on its ROPS the amounts described below to be transmitted to the Trustee for the applicable ROPS Period in order to satisfy the requirements of the Indenture, including any amounts required to pay principal and interest payments due on Outstanding Bonds and any Parity Debt, any Compliance Costs, any deficiency in the Reserve Account to the full amount of the Reserve Account Requirement [(including amounts due to the issuer of the 2016 Reserve Policy)]. The Agency shall submit an Oversight Board-approved ROPS to the County Auditor-Controller and the Department of Finance on or before February 1 with respect to the ROPS Period commencing the following July 1.

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

In furtherance of such pledge, and in preparing a given ROPS, the Agency shall reflect on each annual ROPS that the amount due to the Trustee, received in trust from the County Auditor-Controller for deposit in the Tax Increment Fund on January 2 of the then-current calendar year from Tax Revenues required to be deposited into the RPTTF shall equal (1) one-half of the sum of (a) all scheduled principal payments and Sinking Account Installments due and payable on the Outstanding Bonds and any Parity Debt during the then-current calendar year as shown on Appendix B - Schedule of Semi-Annual and Annual Interest and Principal Payments of the Outstanding Bonds, and (b) all scheduled interest payments due and payable on the Outstanding Bonds and any Parity Debt during the then-current calendar year as shown on Appendix B - Schedule of Semi-Annual and Annual Interest and Principal Payments of the Outstanding Bonds, plus (2) the amount of any deficiency in the Reserve Account [(including amounts due to the issuer of the 2016 Reserve Policy)], less (3) the amounts, if any, on deposit in the Tax Increment Fund as of the date of submission for the ROPS pursuant to this Section that are in excess of the amounts required to be applied to payment of principal of or interest or sinking account payments on the Outstanding Bonds and any Parity Debt in the then current calendar year. The amount due to the Trustee from the County Auditor-Controller for deposit in the Tax Increment Fund on June 1 of the then-current calendar year from amounts required to be deposited into the RPTTF shall be equal to the remainder due and payable on the Outstanding Bonds and any Parity Debt during the then-current calendar year in an amount equal to not less than (1) the remaining one-half of the sum of (a) all scheduled principal payments and Sinking Account Installments due and payable on the Outstanding Bonds and any Parity Debt during the then-current calendar year as shown on Appendix B - Schedule of Semi-Annual and Annual Interest and Principal Payments of the Outstanding Bonds, and (b) all scheduled interest payments due and payable on the Outstanding Bonds and any Parity Debt during the then-current calendar year as shown on Appendix B - Schedule of Semi-Annual and Annual Interest and Principal Payments of the Outstanding Bonds, plus (2) the amount of any remaining deficiency in the Reserve Account.

Tax Revenues received by the Agency during a ROPS Period in excess of the amount required, as provided in this Section, to be deposited in the Tax Increment Fund shall, immediately following the deposit with the Trustee of the amounts required to be so deposited as provided in this Section on each such date, be released from the pledge, security interest and lien hereunder for the security of the Outstanding Bonds, and may be applied by the Agency for any lawful purpose of the Agency, including but not limited to the payment of subordinate debt, or the payment of any amounts due and owing to the United States of America pursuant to Section 6.11. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Outstanding Bonds and any Parity Debt and the payment in full of all other amounts payable hereunder and under any Supplemental Indentures, the Agency shall not have any beneficial right or interest in the moneys on deposit in the Tax Increment Fund, except as may be provided in the Indenture and in any Supplemental Indenture.

Section 5.02 Receipt and Deposit of Tax Revenues. The Agency covenants and agrees that all Tax Revenues, when and as received in accordance with Section 5.01 hereof, will be received by the Agency in trust hereunder and shall be deemed to be held by the Agency as agent for the Trustee and will, not later than five (5) Business Days following such receipt, be deposited by the Agency with the Trustee in the Tax Increment Fund and will be accounted for through and held in trust in the Tax Increment Fund, and the Agency shall have no beneficial right or interest in any of such money, except only as in the Indenture provided; provided that the Agency shall not be obligated to deposit in the Tax Increment Fund in any calendar year an amount which exceeds the amounts required to be transferred to the Trustee for deposit into the Tax Increment Fund pursuant to Section 5.01. All such Tax Revenues, whether received by the Agency in trust or deposited with the Trustee, all as herein provided, shall nevertheless be disbursed, allocated and applied solely to the uses and purposes set forth herein, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the Agency.

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

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

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

(a) Interest Account. The Trustee shall set aside from the Tax Increment Fund and deposit in the Interest Account an amount of money which, together with any money contained therein, is equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds on the Interest Payment Dates in such Bond Year. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds on the Interest Payment Dates in such Bond Year. 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 purchased or redeemed prior to maturity).

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

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

(c) Term Bonds Sinking Account. The Trustee shall deposit in the Term Bonds Sinking Account an amount of money which, together with any money contained therein, is equal to the Sinking Account Installments payable on the Sinking Account Payment Date in such Bond Year. No deposit need be made in the Term Bonds Sinking Account if the amount contained therein is at least equal to the aggregate amount of all Sinking Account Installments required to be made on the Sinking Account Payment Date in such Bond Year. All moneys in the Term Bonds Sinking Account shall be used and withdrawn by the Trustee solely for the purpose of purchasing or redeeming the Term Bonds in accordance with Section 2.04(c) hereof.

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

amount in the Reserve Account in excess of the Reserve Account Requirement shall be transferred to the Tax Increment Fund.

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

If at any time the Trustee fails to pay principal or interest due on any scheduled payment date for the Bonds and any Parity Debt or withdraws funds from the Reserve Account to pay principal and interest on the Bonds and any Parity Debt, the Trustee shall immediately notify the Agency in writing of such failure or withdrawal, as applicable.

[The prior written consent of the 2016 Bond Insurer shall be a condition precedent to the deposit of any Qualified Reserve Account Credit Instrument credited to the Reserve Account established for the Series 2016 Bonds (other than the 2016 Reserve Policy) in lieu of a cash deposit into the Reserve Account. Amounts drawn under the 2016 Reserve Policy shall be available only for the payment of scheduled principal and interest on the Series 2016 Bonds when due.]

[The Trustee shall ascertain the necessity for a claim upon the 2016 Reserve Policy in accordance with the provisions of paragraph (a) of Section 5.05 hereof and to provide notice to the 2016 Bond Insurer in accordance with the terms of the 2016 Reserve Policy at least five Business Days prior to each date upon which interest or principal is due on the Series 2016 Bonds, respectively. Where deposits are required to be made by the Agency with the Trustee to the Interest Account and Principal Account of the Tax Increment Fund for the Series 2016 Bonds, respectively, more often than semi-annually, the Trustee shall be instructed to give notice to the 2016 Bond Insurer of any failure of the Agency to make timely payment in full of such deposits within two Business Days of the date due.]

(e) Expense Account. The Trustee shall set aside from the Tax Increment Fund and deposit in the Expense Account such amount as may be necessary to pay from time to time Compliance Costs as specified in a Written Request of the Agency setting forth the amounts. All moneys in the Expense Account shall be applied to the payment of Compliance Costs, upon presentation of a Written Request of the Agency setting forth the amounts, purposes, the names of the payees and a statement that the amounts to be paid are proper charges against the Expense Account. So long as any of the Bonds herein authorized, or any interest thereon, remain unpaid, the moneys in the Expense Account shall be used for no purpose other than those required or permitted by the Indenture and the Law.

Section 5.04 Investment of Moneys in Funds and Accounts. Moneys in the Tax Increment Fund and the Interest Account, the Principal Account, the Term Bonds Sinking Account and the Expense Account thereunder, upon the Written Request of the Agency, shall be invested by the Trustee in Permitted Investments. If such instructions are not provided, the Trustee shall invest such funds in Permitted Investments described in clause (6) of the definition thereof. Moneys in the Interest Account representing accrued interest paid to the Agency upon the initial sale and delivery of any Bonds and in the Reserve Account, upon the Written Request of the Agency, shall be invested by the Trustee in Permitted Investments. Permitted Investments

purchased with amounts on deposit in the Reserve Account shall have an average aggregate weighted term to maturity of not greater than five (5) years; provided, however, that if such investments may be redeemed at par so as to be available on each Interest Payment Date, any amount in the Reserve Account may be invested in such redeemable Permitted Investments maturing on any date on or prior to the final maturity date of the Bonds. The obligations in which moneys in the Tax Increment Fund and the Interest Account, the Principal Account, the Term Bonds Sinking Account and the Expense Account thereunder are so invested shall mature prior to the date on which such moneys are estimated to be required to be paid out hereunder. Any interest, income or profits from the deposits or investments of all other funds and accounts held by the Trustee (other than the Expense Account and the Rebate Fund) shall be deposited in the Tax Increment Fund. For purposes of determining the amount on deposit in any fund or account held by the Trustee hereunder, all Permitted Investments credited to such fund or account shall be valued at the lower of cost or the market price thereof (excluding accrued interest and brokerage commissions, if any); provided that Permitted Investments credited to the Reserve Account shall be valued at market value (exclusive of accrued interest and brokerage commissions, if any), and any deficiency in the Reserve Account resulting from a decline in market value shall be restored to the Reserve Account Requirement no later than the next Bond Year. Amounts in the funds and accounts held by the Trustee under the Indenture shall be valued at least annually on the first day of September after the principal payment has been made.

The Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Agency the right to receive brokerage confirmations of security transactions as they occur, the Agency will not receive such confirmations to the extent permitted by law. The Trustee will furnish the Agency periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

The Trustee or any of its affiliates may act as agent, sponsor or advisor in connection with any investment made by the Trustee hereunder. To the extent Permitted Investments are registrable, such investments shall be registered in the name of the Trustee. The Trustee may sell or present for redemption, any securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such securities are credited, and the Trustee shall not be responsible for any loss resulting from such investment. The Trustee is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as principal for its own account. The Trustee shall have no investment discretion.

Section 5.05 [2016 Bond Insurance Policy and 2016 Reserve Policy Payment and Reimbursement Provisions]. The following provisions shall govern in the event of a conflict with any contrary provision of the Indenture.

- (a) To come from insurer and/or surety provider, if any].

Section 5.06 Costs of Issuance Fund. Moneys deposited in the Costs of Issuance Fund shall be held by the Trustee in trust and applied to the payment of Costs of Issuance upon a Requisition of the Agency filed with the Trustee. Each such requisition shall be sufficient evidence

to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. In no event shall moneys from any other fund or account established hereunder be used to pay Costs of Issuance. All payments from the Costs of Issuance Fund shall be reflected on the Trustee's regular accounting statements. At the end of twelve months from the date of issuance of the Bonds, or upon earlier receipt of a Written Order of the Agency stating that amounts in such fund are no longer required for the payment of Costs of Issuance, such fund shall be terminated and any amounts then remaining in such fund shall be transferred to the Tax Increment Fund. The Trustee shall then close the Costs of Issuance Fund.

ARTICLE VI

COVENANTS OF THE AGENCY

Section 6.01 Punctual Payment. The Agency will punctually pay the principal of, premium, if any, and the interest to become due with respect to the Bonds, in strict conformity with the terms of the Bonds and of the Indenture and will faithfully satisfy, observe and perform all conditions, covenants and requirements of the Bonds and of the Indenture.

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

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

Section 6.04 Payment of Claims. Subject to the terms of the Dissolution Act, the Agency will pay and discharge 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 Agency or upon the Tax Revenues or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds; provided that nothing herein contained shall require the Agency to make any such payments so long as the Agency in good faith shall contest the validity of any such claims.

Section 6.05 Books and Accounts; Financial Statements. The Agency will keep proper books of record and accounts, separate from all other records and accounts of the Agency, in which complete and correct entries shall be made of all transactions relating to the Tax Increment Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Trustee (who shall have no duty to inspect) and the Owners of not less than ten

per cent (10%) of the aggregate principal amount of Bonds Outstanding or their representatives authorized in writing.

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

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

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

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

Section 6.09 Tax Revenues. The Agency shall comply with all requirements of the Law to ensure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary ROPS. The Agency shall manage its fiscal affairs in a manner so that it will have sufficient Tax Revenues available under the Redevelopment Plans in the amounts and at the times required to enable the Agency to pay the principal of, premium, if any and interest on the outstanding Bonds, including the Series 2016 Bonds, and any Parity Debt when due.

Section 6.10 Further Assurances. The 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 Bonds of the rights and benefits provided in the Indenture.

Section 6.11 Tax Covenants; Rebate Fund.

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

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

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

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

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

(f) The Trustee shall have no obligation to pay any amounts required to be remitted pursuant to this Section 6.11, other than from moneys held in the funds and accounts created under the Indenture or from other moneys provided to it by the Agency.

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

(h) Notwithstanding any other provision of the Indenture, the obligation of the Agency to remit or cause to be remitted any required rebate amount to the United States government and

to comply with all other requirements of this Section 6.11 and the Tax Certificate shall survive the defeasance or payment in full of the Tax Exempt Bonds.

(i) Notwithstanding any provision of this Section 6.11 to the contrary, if the Agency shall provide to the Trustee an opinion of counsel of recognized standing in the field of law relating to municipal bonds (and approved in writing by the Agency) to the effect that any action required under this Section 6.11 is no longer required, or that some further or different action is required, to maintain the exclusion from federal gross income of the interest on the Tax Exempt Bonds pursuant to the Code, the Trustee and the Agency may conclusively rely on such opinion in complying with the provisions of this Section 6.11, and the provisions hereof shall be deemed to be modified to that extent.

Section 6.12 Compliance with the Dissolution Act. The Agency covenants that in addition to complying with the requirements of Section 5.01 hereof, it will comply with all other requirements of the Dissolution Act. Without limiting the generality of the foregoing, the Agency covenants and agrees to file all required statements and seek all necessary approvals required under the Dissolution Act, including without limitation applicable approvals of DOF and the oversight board, to assure compliance by the Agency with its covenants under the Indenture. Further, the Agency will take all actions required under the Dissolution Act to include on its ROPS for each ROPS Period all payments expected to be made to the Trustee in order to satisfy the requirements of the Indenture, including any amounts required to pay principal and interest payments due on the Bonds, Outstanding Bonds and any Parity Debt, any deficiency in the Reserve Account to the full amount of the Reserve Account Requirement [(including amounts due to the 2016 Bond Insurer as issuer of the 2016 Reserve Policy)], any Compliance Costs, and any required debt service, reserve set-asides, and any other payments required under the Indenture or similar documents pursuant to Section 34171(d)(1)(A) of the California Health and Safety Code, so as to enable the County Auditor-Controller to distribute from the RPTTF to the Trustee for deposit in the Tax Increment Fund on each ROPS Distribution Date amounts required for the Agency to pay the principal of, premium, if any, and the interest on the Outstanding Bonds and any Parity Debt coming due in the respective ROPS Period. These actions will include, without limitation, placing on the periodic ROPS for approval by the Oversight Board and the DOF, to the extent necessary, the amounts to be held by the Agency as a reserve until the next ROPS Period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to provide for the payment of principal of, premium, if any, and the interest under the Indenture when the next property tax allocation is projected to be insufficient to pay all obligations due under the Indenture for the next payment due in the following ROPS Period.

[The Agency covenants that (i) it will include all amounts presently due and payable to the 2016 Bond Insurer on each Recognized Payment Obligation Schedule ("ROPS") submission, (ii) if any amounts payable to the 2016 Bond Insurer are not included on any current ROPS and the Agency is then legally permitted to amend such ROPS, the Agency will amend its current ROPS to include such amounts payable to the 2016 Bond Insurer, and (iii) the Agency will not submit for approval by the Oversight Board or the DOF a ROPS covering multiple ROPS Periods or any Last and Final Recognized Obligation Payment Schedule as provided in the Dissolution Law without the prior consent of the 2016 Bond Insurer.]

Section 6.13 Negative Pledge. The Agency may not create or allow to exist any liens on Tax Revenues senior to or on a parity with the Series 2016 Bonds except as provided in Article IV hereof.

Section 6.14 Adverse Change in State Law. If, due to an adverse change in State law resulting from legislation or the decision of a court of competent jurisdiction, the Agency determines that it can no longer comply with Section 6.12, then the Agency shall immediately notify the County Auditor-Controller and the Trustee in writing of such determination. The Agency shall immediately seek a declaratory judgment or take other appropriate action in a court of competent jurisdiction to determine the duties of all parties to the Indenture, including the County Auditor-Controller and the Agency, with regard to the performance of Section 6.12 by the Agency. The Trustee may, but is in no event obligated to, participate in the process of seeking such declaratory judgment to protect its rights hereunder. Any reasonable fees and expenses incurred by the Trustee (including, without limitation, legal fees and expenses) in connection with such participation shall be borne by the Agency.

Section 6.15 Credits to Redevelopment Obligation Retirement Fund. The Agency covenants to credit all Tax Revenues withdrawn from the RPTTF by the County Auditor-Controller and remitted to the Trustee for the payment of the Bonds and any Parity Debt to the Redevelopment Obligation Retirement Fund established pursuant to Section 34170.5(a) of the California Health and Safety Code.

Section 6.16 Compliance Costs. The Agency, to the fullest extent permitted by law, shall pay the annual Compliance Costs, from amounts on deposit in the Expense Account, including fees and disbursements of the consultants and professionals engaged in connection with the Bonds, costs of the Agency and the Trustee payable from the RPTTF.

Section 6.17 Continuing Disclosure. The Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of the Indenture, failure of the Agency to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; provided, however, the Trustee, at the written request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement)[, the Bond Insurer] or the Bondowners of at least 25% aggregate principal amount of Bonds Outstanding, shall to the extent the Trustee is indemnified to its satisfaction from and against any liability or expense related thereto, or any Bondowner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Agency to comply with its obligations under this section and the Continuing Disclosure Agreement. For purposes of this section, “Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

ARTICLE VII

THE TRUSTEE

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

Section 7.02 Duties, Immunities and Liability of Trustee.

(a) The Trustee shall, prior to 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 the Indenture, and no implied duties or obligations shall be read into the Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise as a reasonable individual would exercise or use under the circumstances in the conduct of his own affairs.

(b) [Subject to Section 12.15,] the Agency may, in the absence of an Event of Default, and upon receipt of an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) [or upon receipt of a written request of the Bond Insurer stating good cause, or upon receipt of a written request of any Bond Insurer following an Event of Default (irrespective of cause),] or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this section, or shall become incapable of acting, or shall commence a case under any bankruptcy, insolvency or similar law, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take control or charge of the Trustee or its property or affairs for the purpose of rehabilitation, conservation or liquidation, shall, remove the Trustee by giving written notice of such removal to the Trustee, and thereupon the Agency shall promptly appoint a successor Trustee by an instrument in writing.

(c) The Trustee may, subject to (d) below, resign by giving written notice of such resignation to the Agency [and the Bond Insurer] and by giving notice of such resignation by mail, first class postage prepaid, to the Owners at the addresses listed in the Bond Register. Upon receiving such notice of resignation, the Agency shall promptly appoint a successor Trustee by an instrument in writing[, and shall notify the Bond Insurer of such appointment].

(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 shall 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 himself and all other Owners) may petition, at the expense of the Agency, any court of competent jurisdiction 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 the Indenture shall signify its acceptance of such appointment by executing and delivering to the Agency and to its predecessor Trustee [and the Bond Insurer] 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 Agency or 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 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 the Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth herein. Upon request of the successor Trustee, the Agency shall execute and deliver any and all instruments as may be reasonably required for 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, such successor Trustee shall mail a notice of the succession of such Trustee to the trusts hereunder by first class mail, postage prepaid, to the Owners at their addresses listed in the Bond Register.

(e) Any Trustee appointed under the provisions of this section shall be a trust company or bank having the powers of a trust company or authorized to exercise trust powers, having a corporate trust office in California, having (or in the case of a bank, trust company or bank holding company which is a member of a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least fifty million dollars (\$50,000,000), and subject to supervision or examination by federal or state authority. If such bank, trust company or bank holding company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank, trust company or bank holding company 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, the Trustee shall resign immediately in the manner and with the effect specified in this section.

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

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

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

(i) 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 at the Trustee's Principal Corporate Trust Office. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any documents executed in connection with the Bonds or as to the existence of an Event of Default hereunder.

(j) The Trustee shall not be accountable for the use or application by the Agency or any other party of any funds which the Trustee has released under the Indenture.

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

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

(m) The permissive rights of the Trustee to do things enumerated in the Indenture shall not be construed as a duty unless so specified herein.

(n) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, affiliates, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder.

(o) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Agency elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a written instruction received subsequent to the applicable action by the Trustee. The Agency agrees to assume all risks arising out of the use of such electronic methods to submit instructions and

directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(p) The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term “force majeure” means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force majeure shall include but not be limited to acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

(q) To the fullest extent permitted by law and notwithstanding anything in this Indenture to the contrary, the Trustee shall not be personally liable for (i) special, consequential or punitive damages, however styled, including, without limitation, lost profits or (ii) the acts or omissions of any nominee, correspondent, clearing agency, or securities depository through which it holds securities or assets.

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

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

The Agency agrees, to the extent permitted by law, to indemnify the Trustee and its officers, directors, employees, attorneys and agents for, and to hold it harmless against, any loss, liability or expense incurred without negligence or willful misconduct on its part arising out of or in connection with the acceptance or administration of the trusts imposed by the Indenture, including performance of its duties hereunder, including the costs and expenses of defending itself against any claims or liability in connection with the exercise or performance of any of its powers or duties hereunder. The Agency’s obligations hereunder with respect to indemnity of the Trustee and the provision for its compensation set forth in this Article shall survive and remain valid and binding notwithstanding the maturity and payment of the Bonds, or the resignation, or removal of the Trustee.

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

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

Whenever in the administration of the trusts imposed upon it by the Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting 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 an Officer's Certificate, and such Certificate shall be full warrant to the Trustee for any action taken or suffered or omitted in good faith under the provisions of the Indenture in reliance upon such Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

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

Section 7.07 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of the Indenture shall be retained in its possession and shall be subject at all reasonable times upon prior notice to the inspection of the Agency, the Bond Insurer and the Owners of at least twenty-five percent (25%) of the aggregate principal amount of the

Bonds, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

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

ARTICLE VIII

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

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

(a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

(b) The fact of the ownership of the Bonds under the Indenture by any Owner and the serial numbers of such Bonds and the date of his ownership of the same shall be proved by the Bond Register.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters in this Article stated which to it may seem sufficient. Any request or consent of the Owner of any Bond shall bind every future Owner of the same Bond and any Bond or Bonds issued in exchange or substitution therefor or upon the registration of transfer thereof in respect of anything done by the Trustee in pursuance of such request or consent.

ARTICLE IX

AMENDMENT OF THE INDENTURE

Section 9.01 Amendment by Consent of Owners. The Indenture and the rights and obligations of the Agency and of the Owners may be amended at any time[, upon the written consent of the Bond Insurer, by a Supplemental Indenture which shall become binding when the written consents of the Owners of sixty per cent (60%) in aggregate principal amount of Bonds

Outstanding, exclusive of Bonds disqualified as provided in Section 9.02 are filed with the Trustee, provided that no such amendment shall (1) extend the maturity of or reduce the interest rate on, or otherwise alter or impair the obligation of the Agency to pay the interest or principal of, and premium, if any, at the time and place and at the rate and in the currency provided herein of any Bond, without the express written consent of the Owner of such Bond, or (2) permit the creation by the Agency of any mortgage, pledge or lien upon the Tax Revenues superior to or on a parity with the pledge and lien created in the Indenture for the benefit of the Bonds, without the express written consent of the Owner of such Bond, or (3) reduce the percentage of Bonds required for the written consent to any such amendment, without the express written consent of the Owner of such Bond, or (4) modify the rights or obligations of the Trustee without its prior written assent thereto.

[Any amendment, supplement, modification to, or waiver of, the terms of any Related Document that requires the consent of Bondowners or adversely affects the rights and interests of the 2016 Bond Insurer shall be subject to the prior written consent of the 2016 Bond Insurer].

The Indenture and the rights and obligations of the Agency and of the Owners may also be amended at any time, upon the written notice to the Bond Insurer, by a Supplemental Indenture which shall become binding upon adoption, without the consent of any Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

- (a) To add to the covenants and agreements of the Agency in the Indenture contained, other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the Agency;
- (b) To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Indenture, or in regard to questions arising under the Indenture, as the Agency may deem necessary or desirable and not inconsistent with the Indenture, and which shall not materially adversely affect the interests of the Owners of the Bonds or the Bond Insurer;
- (c) To provide for the issuance of any Additional Bonds, and to provide the terms and conditions under which such Additional Bonds may be issued, subject to and in accordance with the provisions of Article IV;
- (d) To modify, amend or supplement the Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Owners of the Bonds;
- (e) To maintain the exclusion of interest on the Tax Exempt Bonds from gross income for federal income tax purposes;
- (f) To modify, amend or supplement the Indenture in such manner as to conform to changes in the Dissolution Act so long as there is no material adverse effect to holders of the Bonds; or
- (g) [To obtain a bond insurance policy or a rating on the Bonds.]

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

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

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

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

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

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

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 10.01 Events of Default and Acceleration of Maturities. If one or more of the following events (herein called “Events of Default”) shall happen, that is to say:

- (a) If default shall be made in the due and punctual payment of the principal of, or 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 in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;

(c) If default shall be made by the Agency in the observance of any of the agreements, conditions or covenants on its part in the Indenture or in the Bonds contained, and such default shall have continued for a period of sixty (60) days after the Agency shall have been given notice in writing of such default by the Trustee; provided, however, that such default shall not constitute an Event of Default hereunder if the Agency shall commence to cure such default within said 60-day period and thereafter diligently and in good faith proceed to cure such default within a reasonable period of time not to exceed 90 days after such notice[; and provided further that no grace period for such covenant default shall exceed 60 days or be extended for more than 60 days without the without the prior written consent of the Bond Insurer]; or

(d) if the Agency files a petition in voluntary bankruptcy for the composition of its affairs or for its corporate reorganization under any state or federal bankruptcy or insolvency law, or makes an assignment for the benefit of creditors, or admits in writing to its insolvency or inability to pay debts as they mature, or consents in writing to the appointment of a trustee or receiver for itself;

then, and in each and every such case during the continuance of such Event of Default[, with the written consent of the Bond Insurer,] the Trustee may, and upon the written request of the Owners of not less than twenty-five per cent (25%) in aggregate principal amount of Bonds Outstanding, shall, by notice in writing to the Agency, declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable. [For all purposes under this Article X, the 2016 Bond Insurer is deemed to be an owner of one hundred percent (100%) of the Bonds insured by it unless such Bond Insurer is in default under the terms of its Bond Insurance Policy.]

[The maturity of Insured Series 2016 Bonds shall not be accelerated without the consent of the 2016 Bond Insurer and in the event the maturity of the Insured Series 2016 Bonds is accelerated, the [2016 Bond Insurer] may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Agency) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the 2016 Bond Insurer's obligations under the 2016 Bond Insurance Policy with respect to such Insured Series 2016 Bonds shall be fully discharged.]

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 money due shall have been obtained or entered, the Agency shall deposit with the Trustee a sum sufficient to pay all principal on the Outstanding Bonds and any Parity Debt matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest at the rate of ten per cent (10%) per annum on such overdue installments of principal and interest, and the reasonable expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Outstanding Bonds and any Parity Debt 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 Owners of at least twenty-five per cent (25%) in aggregate principal amount

of Bonds Outstanding, by written notice to the Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences. 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.

[An Event of Default shall continue to exist under subsections (a) and (b) of this Section 10.01 after payment is made by the Bond Insurer when due, pursuant to the terms of its Bond Insurance Policy.]

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

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

Second, upon presentation of the several Bonds, and the stamping thereon of the amount of the payment if only partially paid, or upon the surrender thereof if fully paid, (A) to the payment of the whole amount then owing and unpaid upon the Outstanding Bonds and any Parity Debt for principal of, and interest on the Outstanding Bonds and any Parity Debt, with interest on the overdue interest and principal at the rate of ten per cent (10%) per annum, and (B) in case such money shall be insufficient to pay in full the whole amount so owing and unpaid upon the Outstanding Bonds and any Parity Debt, then to the payment of such interest, principal, and interest on overdue interest and principal without preference or priority among such interest, principal, and interest on overdue interest and principal, ratably to the aggregate of such interest, principal, and interest on overdue interest and principal.

Section 10.03 Trustee to Represent Bondowners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and owning the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds, the Indenture, the Law and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Owners of the Bonds, the Trustee in its discretion may [with the consent of the Bond Insurer], and upon the written request of the Owners of not less than twenty-five per cent (25%) in aggregate principal amount of Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under the Indenture, the Law or any other law. All rights of action under the

Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of the Indenture.

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

Section 10.05 Limitation on Bondowners' Right to Sue. No Owner of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, the Law or any other applicable law with respect to such Bond, unless (1) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Owners of not less than twenty-five per cent (25%) in aggregate principal amount of Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (3) such Owner or said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) 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 Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owner of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Indenture, the Law or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of the Indenture.

Section 10.06 Non-Waiver. Nothing in this Article or in any other provision of the Indenture, or in the Bonds, shall affect or impair the obligation of the Agency, which is absolute and unconditional, to pay the principal of, and the interest on the Bonds to the respective Owners of the Bonds at the respective dates of maturity, as herein provided, out of the Tax Revenues pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in the Indenture.

A waiver of any default or breach of duty or contract by any Owner shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such

subsequent default or breach. No delay or omission by any Owner to exercise any right or power accruing upon any default 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 by the Law or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners.

If any suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Owners, the Trustee, the Agency 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 10.07 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or 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.

ARTICLE XI

DEFEASANCE

Section 11.01 Discharge of Indebtedness. (a) If (i) the Agency shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the principal thereof and the interest and premium, if any, thereon at the times and in the manner stipulated herein and therein, and (ii) all other amounts due and payable hereunder shall have been paid, then the Owners shall cease to be entitled to the lien created hereby, and all agreements, covenants and other obligations of the Agency hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Agency all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Agency all money or securities held by it pursuant hereto which are not required for the payment of the principal of and interest and premium, if any, on the Bonds.

(b) Subject to the provisions of subsection (a) of this section, when any Bond shall have been paid, then the Indenture shall be considered to have been discharged in respect of such Bond and such Bond shall cease to be entitled to the lien created hereby, and all agreements, covenants and other obligations of the Agency hereunder shall cease, terminate, become void and be completely discharged and satisfied as to such Bond.

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

to the Owners of the Bonds the funds so held by the Trustee as and when such payment becomes due.

Section 11.02 Bonds Deemed to Have Been Paid. (a) If moneys shall have been set aside and held by the Trustee for the payment or redemption of any Bond and the payment of the interest thereon to the maturity or redemption date thereof, such Bond shall be deemed to have been paid within the meaning and with the effect provided in Section 11.01 hereof. Any Outstanding Bond shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in Section 11.01 hereof if:

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

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

Neither the money nor the Federal Securities deposited with the Trustee pursuant to this subsection in connection with the deemed payment of Bonds, nor principal or interest payments on any such Federal Securities, shall be withdrawn or used for any purpose other than, and shall be held in trust for and pledged to, the payment of the principal of and, premium, if any, and interest on such Bonds.

(b) No Bond shall be deemed to have been paid pursuant to clause (i) of subsection (a) of this section unless the Agency shall cause to be delivered (A) an executed copy of a Verification Report with respect to such deemed payment, (B) a copy of the escrow agreement entered into in connection with the deposit pursuant to clause (i) of subsection (a) of this section resulting in such deemed payment, which escrow agreement shall be acceptable to the Bond Insurer and provide that no substitution of Federal Securities shall be permitted except with other Federal Securities and upon delivery of a new Verification Report and no reinvestment of Federal Securities shall be permitted except as contemplated by the original Verification Report or upon delivery of a new Verification Report, and (C) a copy of an opinion of counsel of recognized standing in the field of law relating to municipal bonds, dated the date of such deemed payment and addressed to the Agency, the Trustee and the Bond Insurer, insuring the Bonds to be defeased, to the effect that such Bond has been paid within the meaning and with the effect expressed in the Indenture, and all agreements, covenants and other obligations of the Agency hereunder as to such Bond have ceased, terminated, become void and been completely discharged and satisfied.

[The 2016 Bond Insurer shall be provided with drafts of the above-referenced documentation not less than five (5) business days prior to the funding of the escrow.]

Insured Series 2016 Bonds shall be deemed to be “Outstanding” under the Indenture unless and until they are in fact paid and retired or the above criteria are met.

(c) The Trustee is entitled to rely upon (i) an opinion of counsel of recognized standing in the field of law relating to municipal bonds to the effect that the conditions precedent to a deemed payment pursuant to clause (ii) of subsection (a) of this section have been satisfied, and (ii) such other opinions, certifications and computations, of accountants or other financial consultants concerning the matters described in paragraph (a)(i) of this section.

ARTICLE XII

MISCELLANEOUS

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

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

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

Section 12.03 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 on, or principal or prepayment premium, if any, of any Bond which remains unclaimed for

two (2) years after the date when such amounts have become payable, if such money was held by the Trustee on such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date such amounts have become payable shall be paid by the Trustee to the Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Agency for the payment of such amounts; provided, that before being required to make any such payment to the Agency, the Trustee shall, at the expense of the Agency, give notice by first class mail to all Owners and to the Securities Depository and the MSRB that such money remains unclaimed and that after a date named in such notice, which date shall not be less than sixty (60) days after the date of giving such notice, the balance of such money then unclaimed will be returned to the Agency.

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

Section 12.05 Successor Is Deemed Included in All References to Predecessor. Whenever in the Indenture either the Agency; the [Oversight Board]; or any of the members, officers or employees of the [Oversight Board] or the Agency, is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions, with respect to the management, administration and control of the affairs of the Agency, that are presently vested in the Agency; the [Oversight Board]; and any of the members, officers or employees of the [Oversight Board] or the Agency, and all the agreements, covenants and provisions contained in the Indenture by or on behalf of the Agency; the [Oversight Board]; or any of the members, officers or employees of the [Oversight Board] or the Agency shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

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

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of 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 or territory 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 Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable. The ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books provided for in Section 2.12.

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

Section 12.07 Waiver of Personal Liability. No member of the [Oversight Board,], nor any member, officer or employee of the Agency, shall be individually or personally liable for the payment of the principal of, premium, if any, and the interest on the Bonds; but nothing herein contained shall relieve any member of the [Oversight Board], nor any member, officer or employee of the Agency, from the performance of any official duty provided by law.

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

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

Section 12.10 Content of Certificates and Reports. Every certificate or report with respect to compliance with a condition or covenant provided for in the Indenture shall include (a) a statement that the person or persons making or giving such certificate or report have read such covenant or condition and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or report are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

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

Section 12.11 Funds and Accounts. Any fund or account required by the Indenture to be established and maintained by the Agency or the Trustee may be established and maintained in the accounting records of the Agency or the Trustee either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and

accounts shall at all times be maintained in accordance with sound accounting practices and with due regard for the protection of the security of the Bonds and the rights of the Owners.

Section 12.12 Article and Section Headings and References. The headings or titles of the several Articles and sections hereof, and the table of contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of the Indenture.

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

Section 12.13 Partial Invalidity. If any one or more of the provisions contained in the Indenture is for any reason held to be invalid, illegal or unenforceable in any respect, then such provision or provisions, or such portions thereof, shall be null and void and shall be deemed severable from the remaining provisions or portions thereof contained in this Indenture, and such invalidity, illegality or unenforceability shall in no way affect the validity of the Indenture or of the Bonds; but the Owners shall retain all the rights and benefits accorded to them under this Indenture (construed as if such invalid, illegal or unenforceable provisions had never been contained herein), the Law and any other applicable provisions of law. The Agency hereby declares that it would have entered into the Indenture and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of the Indenture or the application thereof to any person or circumstance may be held to be invalid, illegal or unenforceable.

Section 12.14 Notices. All notices required to be given hereunder to the Agency, the Trustee [and the 2016 Bond Insurer], shall be sent to the following addresses:

Agency: Successor Agency to the Redevelopment Agency
of the City of Stockton
[425 N. El Dorado Street
Stockton, California 95202]
Attention: [Executive Director]

Trustee: Wells Fargo Bank, National Association
[
]
Attention: [Corporate Trust Department]

[2016 Bond Insurer]:
Re: Policy Nos.
Telephone:
Telecopier:

Section 12.15 [2016 Bond Insurance Policy Payment and Reimbursement Provisions.

The following provisions shall govern in the event of a conflict with any contrary provision of the Indenture.]

Section 12.16 [Bond Insurer Notice Provisions.

The Bond Insurer shall be provided with the following information by the Agency or Trustee, as the case may be:]

Section 12.17 [Bond Insurer as Third Party Beneficiary.

The Bond Insurer is hereby expressly made a third party beneficiary of the Indenture and each other Related Documents.]

Section 12.18 California Law.

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

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY
OF STOCKTON**

By: _____
Executive Director
Successor Agency to the Redevelopment Agency of
the City of Stockton

ATTEST:

By: _____
Secretary
Successor Agency to the Redevelopment
Agency of the City of Stockton

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Authorized Officer

[Signature page to Indenture]

APPENDIX A
FORM OF BOND

No. _____ \$ _____

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF
STOCKTON
2016 TAX ALLOCATION REFUNDING BOND
[SERIES A][TAXABLE SERIES B]**

BOND DATE:	MATURITY DATE:	RATE OF INTEREST:	CUSIP NUMBER:
_____, 2016	September 1, 20__		

Registered Owner: CEDE & CO.

Principal Amount:

THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF STOCKTON, a public body, corporate and politic, duly organized and existing under and pursuant to the laws of the State of California (the “Agency”), for value received hereby promises to pay to the registered owner specified above, or registered assigns, on the maturity date set forth above (subject to any right of prior redemption hereinafter mentioned) the principal sum set forth above in lawful money of the United States of America; and to pay interest thereon at the interest rate per annum set forth above in like lawful money from the date hereof. The interest on this Bond will be payable on March 1 and September 1 in each year (each an “Interest Payment Date”), commencing on [____ 1, 20__]. The principal hereof and redemption premium hereon, if any, are payable upon presentation and surrender hereof at the Principal Corporate Trust Office (as defined in the Indenture) of Wells Fargo Bank, National Association (together with any successor as trustee under the Indenture hereinafter mentioned, the “Trustee”). Interest hereon is payable by check, mailed by first class mail, on each interest payment date to the owner whose name appears on the Bond Register maintained by the Trustee as of the close of business on the fifteenth day of the calendar month preceding the Interest Payment Date (the “Record Date”), except with respect to defaulted interest for which a special record date will be established; provided, that in the case of an owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Bonds, upon written request of such owner to the Trustee received not later than the Record Date, such interest shall be paid on the interest payment date in immediately available funds by wire transfer. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

This Bond is a duly authorized issue of Successor Agency to the Redevelopment Agency of the City of Stockton 2016 Tax Allocation Refunding Bonds, [Series A][Taxable Series B] (the “Bonds”), limited in aggregate principal amount to \$[____][____] all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions), all issued under the provisions of the Community Redevelopment Law of the State of California, as amended including, without

limitation, by Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) (the “Law”), and pursuant to the provisions of the Indenture of Trust, dated as of [_____] 1, 2016, by and between the Agency and Wells Fargo Bank, National Association, as trustee (the “Indenture”).

Simultaneously with the issuance of the Bonds, the Agency is issuing its Successor Agency to the Redevelopment Agency of the City of Stockton 2016 Tax Allocation Refunding Bonds, [Series A][Taxable Series B] (the “Series [2016A][2016B] Bonds”), in the aggregate principal amount of \$[_____] [_____]. The Bonds are on a parity with the Series [2016A] [2016B] Bonds. Pursuant to and as more particularly provided in the Indenture, Additional Bonds may be issued by the Agency payable from Tax Revenues as provided in the Indenture.

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

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

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

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

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

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

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

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

This Bond is not a debt of the City of Stockton, the County of San Joaquin, the State of California or any of its political subdivisions other than the Agency, and neither any of said agencies, said State nor any of its political subdivisions is liable therefor, nor in any event shall this Bond be payable out of any funds or properties other than those of the Agency pledged therefor as provided in the Indenture. This Bond does not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction, and neither the [City nor the Oversight Board], nor any of the members, officers or employees of the Agency, nor any persons executing the Bonds are liable personally on this Bond by reason of its issuance.

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

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

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.

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

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Successor Agency to the Redevelopment Agency of the City of Stockton has caused this Bond to be executed in its name and on its behalf by its Executive Director, acting for and on behalf of the Successor Agency to the Redevelopment Agency of the City of Stockton and attested by its Secretary, acting for Successor Agency to the Redevelopment Agency of the City of Stockton, and has caused this Bond to be dated as of the date above written.

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY
OF STOCKTON**

By _____
Executive Director

ATTEST:

Secretary
Successor Agency to the Redevelopment
Agency of the City of Stockton

[STATEMENT OF INSURANCE]

[_____, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on the [Series 2016A Bonds maturing on September 1 in the years ____ through ____, inclusive] [Series 2016B Bonds maturing on September 1 in the years ____ through ____, inclusive] (the “Insured Bonds”), to Wells Fargo Bank, National Association, San Francisco, California, or its successor, as paying agent for the Insured Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from [Bond Insurer] or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of [Bond Insurer] as more fully set forth in the Policy.]

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

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

DATED: _____

Wells Fargo Bank, National Association, as trustee

By: _____
Authorized Officer

[FORM OF ASSIGNMENT TO APPEAR ON BONDS]

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

Date: _____

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

Signature Guaranteed:

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

§ _____
**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF STOCKTON
2016 TAX ALLOCATION REFUNDING BONDS, SERIES A**

and

§ _____
**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF STOCKTON
2016 TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES B**

BOND PURCHASE CONTRACT

_____, 2016

Successor Agency to the Redevelopment Agency
of the City of Stockton
Stockton, California

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) offers to enter into this Bond Purchase Contract (this “Purchase Contract”) with the Successor Agency to the Redevelopment Agency of the City of Stockton (the “Agency”) which will be binding upon the Agency and the Underwriter upon the acceptance hereof by the Agency. This offer is made subject to its acceptance by the Agency by execution of this Purchase Contract and its delivery to the Underwriter on or before 5:00 p.m., California time, on the date hereof. All terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Indenture (as hereinafter defined).

The Agency acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm’s length commercial transaction between the Agency and the Underwriter; (ii) in connection with such transaction, the Underwriter is acting solely as principals and not as agents or fiduciaries of the Agency; (iii) the Underwriter has not assumed (individually or collectively) a fiduciary responsibility in favor of the Agency with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or are currently providing other services to the Agency on other matters); and (iv) the Agency has consulted with its own legal and financial advisors to the extent it has deemed appropriate.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the Agency for offering to the public, and the Agency hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of the \$_____ aggregate principal

amount of the Agency's 2016 Tax Allocation Refunding Bonds, Series A, at a purchase price equal to \$ _____ (being the aggregate principal amount thereof, plus/less original issue premium/discount of \$ _____ and less an Underwriter's discount of \$ _____) (the "Series A Bonds") and all (but not less than all) of the \$ _____ aggregate principal amount of the Agency's 2016 Tax Allocation Refunding Bonds, Taxable Series B, at a purchase price equal to \$ _____ (being the aggregate principal amount thereof, plus/less original issue premium/discount of \$ _____ and less an Underwriter's discount of \$ _____) (the "Series B Bonds," and with the Series A Bonds, the "Bonds"). In addition, on behalf of the Agency, the Underwriter shall wire the amount of \$ _____ to the Insurer (defined below) to pay the costs of the premium for the Surety Bond (defined below) and the premium for the Insurance Policy (defined below). The Bonds are to be purchased by the Underwriter from the Agency. Such payment and delivery and the other actions contemplated hereby to take place at the time of such payment and delivery are herein sometimes called the "Closing."

2. The Bonds and Related Documents. The Bonds shall be substantially in the form described in, and shall be issued and secured under the provisions of an Indenture of Trust (the "Indenture"), dated as of _____ 1, 2016, by and between the Agency and Wells Fargo Bank, National Association, as trustee (the "Trustee") and pursuant Part 1 and Part 1.85 of Division 24 of the California Health and Safety Code (the "Law") and Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act") and a resolution of the Agency adopted _____, 2016 (the "Agency Resolution"). The issuance of the Bonds was approved by the Oversight Board for the Agency by resolution on _____, 2016 (the "Oversight Board Resolution"). The Bonds shall be as described in the Indenture and the Official Statement dated the date hereof relating to the Bonds (which, together with all exhibits and appendices included therein or attached thereto and such amendments or supplements thereto which shall be approved by the Underwriter, is hereinafter called the "Official Statement").

A debt reserve surety bond for the Bonds (the "Surety Bond") and a financial guaranty insurance policy insuring the Bonds (the "Insurance Policy"), shall be purchased from _____ (the "Insurer").

The net proceeds of the Bonds will be used to refinance certain debt obligations entered into by the Agency (as identified in the Indenture, the "Refunded Obligations").

The Agency will undertake pursuant to the provisions of a Continuing Disclosure Agreement, to be dated the date of the Closing (the "Disclosure Agreement") and executed by the Agency, to provide certain annual information and notices of the occurrence of certain events. A description of the undertaking is set forth in the Preliminary Official Statement (as defined below) and will also be set forth in the Official Statement.

The Indenture, the Continuing Disclosure Agreement, each of the Escrow Agreements or Refunding Agreements regarding the Refunded Obligations (each, an "Escrow Agreement" and, collectively, the "Escrow Agreements") by and among the City of Stockton, the Stockton Public Financing Authority, the Agency and the Trustee, as applicable, and this Purchase Contract are sometimes collectively referred to herein as the "Agency Legal Documents."

3. Offering. It shall be a condition to the Agency's obligations to sell and to deliver the Bonds to the Underwriter and to the Underwriter's obligations to purchase, to accept delivery of and to pay for the Bonds that the entire \$ _____ aggregate principal amount of the Series A Bonds

and the entire \$ _____ aggregate principal amount of the Series B Bonds shall be issued, sold and delivered by the Agency and purchased, accepted and paid for by the Underwriter at the Closing. The Underwriter agrees to make a bona fide public offering of all of the Bonds at the initial public offering prices or yields set forth in Exhibit A hereto and on the inside front cover page of the Official Statement. The Underwriter reserves the right to change, subsequent to the initial public offering, such initial offering prices as it shall deem necessary in connection with the marketing of the Bonds.

4. Use and Preparation of Documents. The Agency has caused to be prepared and delivered to the Underwriter prior to the execution of this Purchase Contract copies of the Preliminary Official Statement dated _____, 2016, relating to the Bonds (the “Preliminary Official Statement”), which was approved by a resolution of the Agency adopted on _____, 2016 (the “Agency OS Resolution”). The Agency ratifies, confirms and approves the use by the Underwriter prior to the date hereof of the Preliminary Official Statement. The Agency has previously deemed the Preliminary Official Statement to be final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”), except for information permitted to be omitted therefrom by Rule 15c2-12. The Agency hereby agrees to deliver or cause to be delivered to the Underwriter, within seven (7) business days of the date hereof, but not less than one (1) business day prior to Closing a sufficient number of copies of the final Official Statement relating to the Bonds, dated the date hereof, which includes all information permitted to be omitted by Rule 15c2-12 and any amendments or supplements to such Official Statement as have been approved by the Agency and the Underwriter (the “Official Statement”) to enable the Underwriter to distribute a single copy of each Official Statement to any potential customer of the Underwriter requesting an Official Statement during the time period beginning when the Official Statement becomes available and ending 25 days after the End of the Underwriting Period (defined below). The Agency hereby approves of the use and distribution (including the electronic distribution) by the Underwriter of the Preliminary Official Statement and the Official Statement in connection with the offer and sale of the Bonds. The Underwriter agrees that it will not confirm the sale of any Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the Official Statement.

5. Representations, Warranties and Agreements of the Agency. The Agency hereby represents, warrants and agrees as follows:

(a) The Agency is a public entity existing under the laws of the State of California, including the Law.

(b) The Agency has full legal right, power and authority to enter into the Agency Legal Documents and carry out and consummate the transactions contemplated by the Agency Legal Documents.

(c) By all necessary official action of the Agency prior to or concurrently with the acceptance hereof, the Agency has duly authorized and approved the preparation and use of the Preliminary Official Statement and the Official Statement, the execution and delivery of the Official Statement and the Agency Legal Documents, and the performance by the Agency of all transactions contemplated by the Agency Legal Documents; and the Agency Legal Documents will constitute legal, valid and binding obligations of the Agency, enforceable in accordance with their respective terms, except as enforcement may be limited

by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally.

(d) The Agency is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation to which it is subject or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the Indenture) or other instrument to which the Agency is a party or to which the Agency or any of its property or assets is otherwise subject, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the execution and delivery of the Agency Legal Documents, and compliance with the provisions on the Agency's part contained therein, will not conflict with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Agency is a party or to which the Agency or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Agency or under the terms of any such constitutional provision, law, regulation or instrument, except as provided by the Indenture.

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

(f) Except as otherwise disclosed in the Official Statement, between the date of this Purchase Contract and the date of the Closing, the Agency will not, without the prior written consent of the Underwriter, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, payable from Tax Revenues (as defined in the Indenture), nor will there be any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the Agency.

(g) To the best knowledge of the officer of the Agency executing this Purchase Contract, after due inquiry, as of the date hereof, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, government agency, public board or body, pending or threatened against the Agency, affecting the existence of the Agency or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the execution and delivery of the Indenture or the collection of the Tax Revenues or contesting or affecting, as to the Agency, the validity or enforceability of the Agency Legal Documents, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Agency, or in any way contesting or challenging the consummation of the transactions contemplated hereby, or which might result in a material adverse change in the financial condition of the Agency or which might materially adversely affect the Tax Revenues of the Agency; nor, to the best knowledge of the Agency, is there any known basis for any such

action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the authorization, execution, delivery or performance by the Agency of the Agency Legal Documents.

(h) As of the time of acceptance hereof and as of the date of the Closing, the Agency does not and will not have outstanding any indebtedness which indebtedness is secured by a lien on the Tax Revenues of the Agency superior to or on a parity with the lien provided for in the Indenture on the Tax Revenues, other than as disclosed in the Official Statement.

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

(j) As of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein in light of the circumstances under which they were made, not misleading (except that this representation does not include information relating to The Depository Trust Company or the book-entry only system, the Insurer, the Insurance Policy or the Surety Bond).

(k) As of the date thereof and at all times subsequent thereto to and including the date which is 25 days following the End of the Underwriting Period (as such term is hereinafter defined) for the Bonds, the Official Statement did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made not misleading (except that this representation does not include information relating to The Depository Trust Company or the book-entry only system).

(l) If between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, an event occurs which would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information herein, in the light of the circumstances under which it was presented, not misleading, the Agency will notify the Underwriter, and, if in the opinion of the Underwriter or the Agency, or respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Agency will cooperate in the preparation of an amendment or supplement to the Official Statement in a form and manner approved by the Underwriter, and shall pay all expenses thereby incurred. For the purposes of this subsection, between the date hereof and the date which is 25 days of the End of the Underwriting Period for the Bonds, the Agency will furnish such information with respect to itself as the Underwriter may from time to time reasonably request. As used herein, the term "End of the Underwriting Period" means the later of such time as: (i) the Agency delivers the Bonds to the Underwriter; or (ii) the Underwriter does not retain, directly or as members of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Notwithstanding the foregoing, unless the Underwriter gives notice to the contrary, the "End of the Underwriting Period" shall be the date of Closing.

(m) If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (l) hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Bonds, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact required to be stated therein or necessary to make such information therein in the light of the circumstances under which it was presented, not misleading (except that this representation does not include information relating to The Depository Trust Company or the book-entry only system).

(n) After the Closing, the Agency will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Underwriter shall reasonably object in writing or which shall be disapproved by counsel for the Underwriter.

(o) Any certificate signed by any officer of the Agency and delivered to the Underwriter shall be deemed a representation by the Agency to the Underwriter as to the statements made therein.

(p) The Agency will apply the proceeds from the sale of the Bonds for the purposes specified in the Official Statement.

(q) The Agency will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter, at the expense of the Underwriter, as it may reasonably request in order to qualify the Bonds for offer and sale under the “blue sky” or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriter may designate; provided, however, that the Agency will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

(r) Except as disclosed in the Official Statement, the Agency has not defaulted in any material respect under any prior continuing disclosure undertaking within the previous five years.

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

(t) The Department of Finance of the State (the “Department of Finance”) has issued a letter, dated _____, 2016 (the “DOF Letter”), approving the issuance of the bonds. No further Department of Finance approval or consent is required for the issuance of the Bonds or the consummation of the transactions described in the Preliminary Official Statement. Except as disclosed in the Preliminary Official Statement, the Agency is not aware of the Department of Finance directing or having any basis to direct the County Auditor-Controller to deduct unpaid unencumbered funds from future allocations of property tax to the Agency pursuant to Section 34183 of the Dissolution Act.

6. Closing. At 8:30 A.M., California time, on _____, 2016, or on such other date as may be mutually agreed upon by the Agency and the Underwriter, the Agency will, subject to the terms and conditions hereof, sell and deliver the Bonds to the Underwriter, duly executed and authenticated, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof in federal funds. Sale, delivery and payment as aforesaid shall be made at the offices of Orrick, Herington & Sutcliffe LLP, San Francisco, California (“Bond Counsel”), or such other place as shall have been mutually agreed upon by the Agency and the Underwriter, except that the Bonds (with one certificate for each maturity and otherwise in a form suitable for the book-entry system) shall be delivered to the Underwriter in New York, New York, through the book-entry system of The Depository Trust Company (“DTC”). Unless the DTC Fast Automated Securities Transfer (“FAST”) is utilized, the Bonds will be made available for inspection by DTC at least one business day prior to the Closing.

7. Closing Conditions. The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the Agency contained herein, and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Agency of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter’s obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Agency of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) The Underwriter shall receive, within seven (7) business days of the date hereof, but in no event less than 1 day prior to Closing, copies of the Official Statement (including all information previously permitted to have been omitted from the Preliminary Official Statement by Rule 15c2-12 and any amendments or supplements as have been approved by the Underwriter), in such reasonable quantity as the Underwriter shall have requested;

(b) The representations and warranties of the Agency contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing and the statements of the officers and other officials of the Agency and the Trustee made in any certificate or other document furnished pursuant to the provisions hereof are accurate;

(c) At the time of the Closing, the Agency Legal Documents shall have been duly authorized, executed and delivered by the respective parties thereto, and the Official Statement shall have been duly authorized, executed and delivered by the Agency, all in substantially the forms heretofore submitted to the Underwriter, with only such changes as shall have been agreed to in writing by the Underwriter, and shall be in full force and effect; and there shall be in full force and effect such resolution or resolutions of the governing body of the Agency as, in the opinion of Bond Counsel, shall be necessary or appropriate in connection with the transactions contemplated hereby;

(d) At the time of the Closing, all necessary official action of the Agency relating to the Official Statement and the Agency Legal Documents shall have been taken and

shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect; and

(e) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(1) Bond Counsel Opinions. The approving opinions of Bond Counsel, dated the date of the Closing and substantially in the form included as Appendix ___ to the Official Statement;

(2) Supplemental Opinion of Bond Counsel. A supplemental opinion or opinions of Bond Counsel addressed to the Underwriter, in form and substance acceptable to the Underwriter, and dated the date of the Closing, stating that the Underwriter may rely on the opinions of Bond Counsel described in paragraph (1) above as if such opinion were addressed to the Underwriter and to the following effect:

(i) the Purchase Contract has been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by the Representative, constitutes the legal, valid and binding agreement of the Authority and is enforceable in accordance with its terms, except to the extent that enforceability may be limited by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting creditors' rights generally or by the exercise of judicial discretion in accordance with general principles of equity or otherwise in appropriate cases and by limitations on legal remedies against public agencies in the State of California;

(ii) the statements contained in the Official Statement under the captions ["INTRODUCTION," "THE REFUNDING PLAN," "THE BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," "TAX MATTERS"] and in Appendices ___ and ___ insofar as such statements expressly summarize certain provisions of the Indenture or the opinions of Bond Counsel, are accurate in all material respects; and

(iii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(3) Agency Counsel Opinion. An opinion of Counsel to the Agency, dated the date of the Closing and addressed to the Underwriter, in form and substance acceptable to the Underwriter to the following effect:

(i) the Agency is a public body, duly existing under the Constitution and laws of the State, with full right, power and authority to execute, deliver and perform its obligations under the Agency Legal Documents;

(ii) the Agency Resolution and the Agency OS Resolution were duly adopted at meetings of the Agency, called and held pursuant to law, with all public notice required by law and at which quorums were present and acting throughout; and the Agency Resolution and the Agency OS Resolution are in full force and effect and have not been modified amended or rescinded since their respective adoption date;

(iii) The Agency Legal Documents and the Official Statement have been duly authorized, executed and delivered by the Agency and, assuming due authorization, execution and delivery by the other parties thereto, the Agency Legal documents constitute the valid, legal and binding obligations of the Agency enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors rights and by the application of equitable principles if equitable remedies are sought;

(iv) The execution and delivery of the Agency Legal Documents and the Official Statement and compliance with the provisions of the Agency Legal Documents, under the circumstances contemplated thereby, (1) do not and will not in any material respect conflict with or constitute on the part of the Agency a breach of or default under any agreement or other instrument to which the Agency is a party or by which it is bound, and (2) do not and will not in any material respect constitute on the part of the Agency a violation, breach of or default under any existing law, regulation, court order or consent decree to which the Agency is subject;

(v) to the best of such counsel's knowledge, except as otherwise disclosed in the Official Statement, there is no litigation or proceeding, pending and served, or threatened, challenging the creation, organization or existence of the Agency, or the validity of the Bonds or the Agency Legal Documents or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby, or under which a determination adverse to the Agency would have a material adverse effect upon the financial condition or the revenues of the Agency, or which, in any manner, questions the right of the Agency to issue, sell and deliver the Bonds, to enter into the Indenture or to use the Tax Revenues for repayment of the Bonds or affects in any manner the right or ability of the Agency to collect or pledge the Tax Revenues; and

(vi) The information in the Official Statement under the captions ["THE SUCCESSOR AGENCY," "THE PROJECT AREA," "TAX REVENUES AND DEBT SERVICE," "CERTAIN RISK FACTORS," "LIMITATIONS ON TAX REVENUES" and "LITIGATION"] is true and accurate in all material respects; provided, however, that no opinion is expressed as to any financial or statistical information contained therein.

(4) Trustee Counsel Opinion. The opinion of counsel to the Trustee, dated the date of the Closing, addressed to the Underwriter, to the effect that:

(i) The Trustee is a national banking association, duly organized and validly existing under the laws of the United States of America, having full power to enter into, accept and administer the trusts created under the Indenture and the Escrow Agreements to which the trustee is a party;

(ii) The Indenture and the Escrow Agreements to which the trustee is a party have been duly authorized, executed and delivered by the Trustee and the Indenture and the Escrow Agreements to which the trustee is a party constitute the legal, valid and binding obligations of the Trustee, enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws

affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought; and

(iii) Except as may be required under Blue Sky or other securities laws of any state, no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the execution and delivery of the Indenture or the Escrow Agreements to which the trustee is a party, or the consummation of the transactions contemplated by the Indenture and the Escrow Agreements to which the trustee is a party.

(5) Agency Certificate. A certificate of the Agency, dated the date of the Closing, signed on behalf of the Agency by a duly authorized officer of the Agency, to the effect that:

(i) the representations and warranties of the Agency contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing;

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

(iii) No further consent is required to be obtained for the inclusion of the Agency's audited financial statements, including the accompanying accountant's letter, for Fiscal Year 2014-15 in the Official Statement.

(6) Trustee's Certificate. A certificate, dated the date of Closing, to the effect that:

(i) the Trustee is a national banking association duly organized and validly existing under the laws of the United States of America;

(ii) the Trustee has full power, authority and legal right to comply with the terms of the Indenture and the Escrow Agreements to which the trustee is a party and to perform its obligations stated therein; and

(iii) the Indenture and the Escrow Agreements to which the trustee is a party have been duly authorized, executed and delivered by the Trustee and (assuming due authorization, execution and delivery by the Agency) constitute legal, valid and binding obligations of the Trustee in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally.

(7) [Authority Resolution]. A copy of the resolution of the Authority approving the Escrow Agreements.]

(8) Authority Certificate. A certificate of the Authority in form and substance acceptable to Bond Counsel and the Underwriter as to the due authorization and enforceability of the Escrow Agreements.]

(9) Authority Opinion. An opinion of counsel to the Authority in form and substance acceptable to Bond Counsel and the Underwriter as to the due authorization and enforceability of the Escrow Agreements.]

(10) City Resolution. A copy of the resolution of the City approving the Escrow Agreements.]

(11) City Certificate. A certificate of the City in form and substance acceptable to Bond Counsel and the Underwriter as to the due authorization and enforceability of the Escrow Agreements.]

(12) City Opinion. An opinion of counsel to the City in form and substance acceptable to Bond Counsel and the Underwriter as to the due authorization and enforceability of the Escrow Agreements.]

(13) Legal Documents. Executed copies of this Purchase Contract and the other Agency Legal Documents.

(14) Rating Letters. Letters from [Standard & Poor's Credit Ratings Services ("S&P")] to the effect that the Bonds insured under the Insurance Policy have been assigned a rating of "___" and that the Bonds have been assigned an underlying rating of "___," which ratings shall be in effect as of the Closing Date.

(15) Tax Certificate. A certificate of the Agency dated the Closing Date, in a form acceptable to Bond Counsel, that the Series A Bonds are not arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(16) Disclosure Letter. A letter of Orrick, Herrington & Sutcliffe LLP ("Disclosure Counsel"), dated the date of the Closing, addressed to the Underwriter, to the effect that, based upon its participation in the preparation of the Preliminary Official Statement and the Official Statement and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Preliminary Official Statement or the Official Statement, such counsel has no reason to believe that, as of its date, the Preliminary Official Statement (excluding therefrom the reports, financial and statistical data and forecasts therein, the information included in the Appendices thereto, information relating to DTC and its book-entry system and any information relating to any bond insurer, as to which no opinion need be expressed) and as of its date and as of the date of the Closing, the Official Statement (excluding therefrom the reports, financial and statistical data and forecasts therein and the information included in the Appendices thereto and information relating to DTC and its book-entry system and any information relating to any bond insurer, as to which no advice need be expressed) contained or contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(17) Defeasance Opinions. One or more defeasance opinions of Bond Counsel addressed to the Underwriter and the Agency to the effect that each of the Refunded Obligations has been legally defeased in accordance with each of the agreements pursuant to which such Refunded Obligations were issued, and the owners of such obligations have ceased to be entitled to the pledge of tax increment revenues thereunder.

(18) Fiscal Consultant Certificate. A certificate of Fraser & Associates (the “Fiscal Consultant”) to the effect that the report of the Fiscal Consultant (the “Report”) contained in the Official Statement and the information set forth under the captions [“THE PROJECT AREA,” “TAX REVENUES AND DEBT SERVICE” and “CERTAIN RISK FACTORS—Concentration of Tax Base,” “— Reduction in Tax Base on Assessed Values” and “— Appeals to Assessed Values”] in the Official Statement do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, consenting to the use of the Report in the Preliminary and Official Statement and stating that to the best of the Fiscal Consultant’s knowledge, nothing has come to the Fiscal Consultant’s attention between the date of such Report and the Closing Date which would materially alter any of the conclusions set forth in the Report;

(19) Oversight Board Resolution. A copy of the adopted Oversight Board Resolution, together with a copy of the DOF Letter.

(20) Oversight Board Certificate. A certificate of the Clerk of the Oversight Board to the effect that the Oversight Board Resolution was validly adopted, remains in full force and effect, and has not been amended, rescinded or otherwise modified since its date of adoption.

(21) Underwriter’s Counsel Opinion. An opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, dated the date of closing, addressed to the Underwriter, to the effect that: (A) while Underwriter’s Counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of any of the information contained in the Official Statement and has not undertaken to verify the accuracy, completeness or fairness of, or independently verified the information contained in, the Official Statement and is therefore unable to make any representation to the Underwriter in that regard, Underwriter’s Counsel has participated in conferences prior to the date of the Official Statement with representatives of the Underwriter, the Successor Agency, the Authority, Bond Counsel, Disclosure Counsel, the Fiscal Consultant (as such term is defined herein), the Trustee and their respective legal counsel and others, during which conferences the contents of the Official Statement and related matters were discussed and that, based upon the information made available to Underwriter’s Counsel in the course of its participation in such conferences, review of the documents referred to above, reliance on the documents, letters, certificates and the opinions of counsel described in this Purchase Contract and Underwriter’s Counsel’s understanding of applicable law, as a matter of fact and not opinion, no information has come to the attention of the attorneys in Underwriter’s Counsel’s firm rendering legal services to the Underwriter with respect to the Bonds which caused Underwriter’s Counsel to believe that the Official Statement as of its date contained, or as of the Closing Date contained, any untrue statement of a material fact, or as of its date omitted, or as of the Closing Date omitted, to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under

which they were made, not misleading (except that Underwriter's Counsel expresses no view with respect to information related to any financial, statistical, engineering, or economic or demographic data or forecasts, numbers, charts, tables, estimates, projections, appraisals or assessed valuations or any information about CUSIP numbers, the rating on the Bonds, the book-entry system or The Depository Trust Company contained in the Official Statement, including any of the appendices thereto), and that, other than reviewing the various certificates and opinions required by Section 7(e) of the Purchase Contract regarding the Official Statement, Underwriter's Counsel has not taken any steps since the date of the Official Statement to verify the accuracy of the statements contained in the Official Statement as of the Closing Date; (B) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended, are accurate in all material respects; and (C) the Continuing Disclosure Agreement to provide continuing disclosure with respect to the Bonds satisfies the requirements of Rule 15c2-12.

(22) Verification. A certification report prepared by _____, certified public accountants in form and substance satisfactory to Bond Counsel and the Underwriter.

(23) Insurer Documents. The executed Surety Bond and Insurance Policy issued by the Insurer, each in form and substance acceptable to the Underwriter.

(24) Insurer Counsel Opinion. Opinions of counsel to the Insurer as to the enforceability of its Surety Bond and Insurance Policy and as to the accuracy of the information in the Official Statement relating to the Insurer, the Surety Bond and the Insurance Policy.

(25) Insurer Certificate. A certificate, dated the date of Closing, of the Insurer, relating to the Surety Bond and the Insurance Policy, in form and substance satisfactory to Bond Counsel and the Underwriter.

(26) Additional Documents. Such additional certificates, instruments and other documents as Bond Counsel, the Agency or the Underwriter may reasonably deem necessary.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter.

If the Agency or the Trustee shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Contract, if the Agency shall determine in good faith (and provide written notice to the Underwriter) that legislation has been introduced or proposals made by the Governor of the State which if enacted and effective would impose additional limitations or burdens on the Agency by reason of the issuance of the Bonds or which purport to prohibit the issuance of the Bonds, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and the Underwriter shall be under no further obligation hereunder.

8. Termination. The Underwriter shall have the right to terminate this Purchase Contract, without liability therefor, by notification to the Agency if at any time between the date hereof and prior to the Closing:

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

(b) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Purchase Contract in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any Federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority materially adversely affecting the federal or State tax status of the Agency, or the interest on bonds or notes or obligations of the general character of the Bonds; or

(c) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(d) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(e) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which restrictions materially adversely affect the Underwriter's ability to trade the Bonds; or

(f) a general banking moratorium shall have been established by federal or State authorities; or

(g) the United States has become engaged in hostilities which have resulted in a declaration of war or a national emergency or there has occurred any other outbreak of hostilities or a national or international calamity or crisis, or there has occurred any escalation of existing hostilities, calamity or crisis, financial or otherwise, the effect of which on the financial markets of the United States being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Bonds; or

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

(i) the commencement of any action, suit or proceeding described in Section 5(g) hereof which, in the judgment of the Underwriter, materially adversely affects the market price of the Bonds; or

(j) there shall be in force a general suspension of trading on the New York Stock Exchange.

9. Expenses. The Agency will pay or cause to be paid the approved expenses incident to the performance of its obligations hereunder and certain expenses relating to the sale of the Bonds, including, but not limited to, (a) the cost of the preparation and printing or other reproduction of the Agency Legal Documents (other than this Purchase Contract); (b) the fees and disbursements of Bond Counsel, Disclosure Counsel, the Financial Advisor, Fiscal Consultant and any other experts or other consultants retained by the Agency; (c) the costs and fees of the credit rating agencies; (d) the cost of preparing and delivering the definitive Bonds; (e) the cost of providing immediately available funds on the Closing Date; (f) the cost of the printing or other reproduction of the Preliminary Official Statement and Official Statement and any amendment or supplement thereto, including a reasonable number of certified or conformed copies thereof; (g) the Underwriter's out-of-pocket expenses incurred with the financing; (h) the fees of _____ for a continuing disclosure undertaking compliance review; and (i) expenses (included in the expense component of the spread) incurred on behalf of the Agency's employees which are incidental to implementing this Purchase Contract including expenses incurred for the rating presentations and the investor presentation. The Underwriter will pay the expenses of the preparation of this Purchase Contract and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, and the fee and disbursements of Underwriter's Counsel. The Underwriter is required to pay the fees of the California Debt and Investment Advisory Commission in connection with the offering of the Bonds. The Agency acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider such fees. Notwithstanding that such fees are solely the legal obligation of the Underwriter, the Agency agrees to reimburse the Underwriter for such fees.

The Underwriter shall pay, and the Agency shall be under no obligation to pay, all expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds.

10. Notices. Any notice or other communication to be given to the Agency under this Purchase Contract may be given by delivering the same in writing at the Agency at 425 N. El Dorado Street, Stockton, California 92202; Attention: Executive Director, and to the Underwriter under this Purchase Contract may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, California 94104, Attention: Anna Vandegna.

11. Parties in Interest. This Purchase Contract is made solely for the benefit of the Agency and the Underwriter and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations, warranties and agreements of the Agency contained in this Purchase Contract shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriter; (ii) delivery of and payment for the Bonds pursuant to this Purchase Contract; and (iii) any termination of this Purchase Contract.

12. Effectiveness and Counterpart Signatures. This Purchase Contract shall become effective upon the execution of the acceptance by an authorized officer of the Agency and shall be valid and enforceable at the time of such acceptance and approval. This Purchase Contract may be executed by the parties hereto by facsimile transmission and in separate counterparts, each of which when so executed and delivered (including delivery by facsimile transmission) shall be an original, but all such counterparts shall together constitute but one and the same instrument.

13. Headings. The headings of the sections of this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

14. Governing Law. This Purchase Contract shall be construed in accordance with the laws of the State of California.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____
Its: Authorized Officer

Accepted:

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF
THE CITY OF STOCKTON

By: _____
Executive Director

EXHIBIT A**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF STOCKTON
2016 TAX ALLOCATION REFUNDING BONDS, SERIES A**

<i>Maturity Date (September 1)</i>	<i>Principal Amount</i>	<i>Coupon</i>	<i>Yield</i>	<i>Price</i>
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**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF STOCKTON
2016 TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES B**

<i>Maturity Date (September 1)</i>	<i>Principal Amount</i>	<i>Coupon</i>	<i>Yield</i>	<i>Price</i>
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ESCROW AGREEMENT

by and between

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF STOCKTON**

and

**WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee**

Dated as of _____ 1, 2016

*Relating to
the refunding and defeasance of obligations
incurred in connection with the*

**City of Stockton Certificates of
Participation (Redevelopment Housing
Projects), Series 2003A**

**City of Stockton Certificates of
Participation (Redevelopment Housing
Projects), Taxable Series 2003B**

**Redevelopment Agency of the City of
Stockton Revenue Bonds, Series 2004
(Stockton Events Center—Arena Project)**

**Stockton Public Financing Authority
Revenue Bonds (Redevelopment Projects),
2006 Series A**

**Stockton Public Financing Authority
Taxable Revenue Bonds (Housing Projects),
2006 Series C**

ESCROW AGREEMENT

This ESCROW AGREEMENT (the “Agreement”), made and entered into as of [_____] 1, 2016, by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF STOCKTON (the “Agency”), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, having a corporate trust office located in San Francisco, California, and being qualified to accept and administer the trusts hereby created, as trustee (the “Trustee”) and acting as escrow agent hereunder (in such capacity, the “Escrow Agent”),

WITNESSETH:

WHEREAS, the Trustee, as trustee (the “2003 COPs Trustee”) under that certain Trust Agreement, dated as of June 1, 2003 (the “2003 Trust Agreement”), among the Trustee, the Stockton Public Financing Authority (the “Financing Authority”) and the City of Stockton (the “City”), duly executed and delivered \$1,160,000 principal amount of City of Stockton Certificates of Participation (Redevelopment Housing Projects) Series 2003A (the “2003A COPs”) and \$12,140,000 principal amount of City of Stockton Certificates of Participation (Redevelopment Housing Projects) Taxable Series 2003B (the “2003B COPs” and, together with the 2003A COPs, the “2003 COPs”) under the 2003 Trust Agreement, currently outstanding in the aggregate principal amounts of \$[_____] and \$[_____] , respectively; and

WHEREAS, the former Redevelopment Agency of the City of Stockton (the “Former RDA”) has heretofore issued and sold \$47,000,000 aggregate principal amount of Redevelopment Agency of the City of Stockton Revenue Bonds, Series 2004 (Stockton Events Center—Arena Project) (the “2004 Arena Bonds”), pursuant to the terms of an Indenture of Trust, dated as of March 1, 2004 (the “2004 Indenture”), between the Former RDA and the Trustee (the “2004 Arena Trustee”), currently outstanding in the aggregate principal amount of \$[_____] ; and

WHEREAS, the Financing Authority has heretofore issued and sold \$75,755,000 aggregate principal amount of Stockton Public Financing Authority Revenue Bonds (Redevelopment Projects), 2006 Series A (the “2006A Bonds”), pursuant to the terms of an Indenture of Trust, dated as of July 1, 2006 (the “2006A Indenture”), between the Financing Authority the Trustee (the “2006A Trustee”), currently outstanding in the aggregate principal amount of \$[_____] ; and

WHEREAS, the Financing Authority has heretofore issued and sold \$25,985,000 aggregate principal amount of Stockton Public Financing Authority Taxable Revenue Bonds (Housing Projects), 2006 Series C (the “2006C Bonds”), pursuant to the terms of an Indenture of Trust, dated as of July 1, 2006 (the “2006C Indenture”), between the Financing Authority the Trustee (the “2006C Trustee”), currently outstanding in the aggregate principal amount of \$[_____] ; and

WHEREAS, the City was previously a debtor in a bankruptcy case under chapter 9 of Title 11 of the United States Code, Case No. 2012-32118 in the United States Bankruptcy Court

for the Eastern District of California, Sacramento Division, styled *In re City of Stockton, California* (the “Bankruptcy Case”); and

WHEREAS, in connection with the effectiveness of the City’s Plan for the Adjustment of Debts of City of Stockton, California, as filed in connection with the Bankruptcy Case and subsequently amended (collectively, the “Plan”), the Agency entered into two settlement agreements (collectively, the “Arena Settlement Agreements”): (i) that certain Forbearance Agreement, dated as of February 25, 2015, by and among the City, the Agency, National Public Finance Guarantee Corporation and the 2004 Arena Trustee under an indenture relating to certain bonds issued by the City in 2004, and (ii) that certain Amended and Restated Pledge Agreement, dated as of February 25, 2015, by and between the City and the Agency; and

WHEREAS, in connection with the effectiveness of the Plan, the City entered into certain settlement agreements with creditors, including, among others, that certain Amended and Restated Stipulation and Settlement Agreement, dated as of July 1, 2014 (the “Ambac Settlement Agreement”), by and among the City, the Financing Authority, Ambac Assurance Corporation and the 2003 COPs Trustee under a trust agreement relating to the 2003 COPs, executed and delivered by the 2003 COPs Trustee; and

WHEREAS, all of the outstanding 2003 COPs, the Ambac Settlement Agreement, the outstanding 2004 Arena Bonds, the Arena Settlement Agreements, the outstanding 2006A Bonds and the outstanding 2006C Bonds are referred to herein as the “Refunded Obligations;” and

WHEREAS, the Agency and the Former RDA have outstanding obligations that were incurred in connection with certain redevelopment activities of the Former RDA and the prior issuance of the Refunded Obligations; and

WHEREAS, the Agency has determined to issue its Successor Agency to the Redevelopment Agency of the City of Stockton 2016 Tax Allocation Refunding Bonds, Series A (the “Series 2016A Bonds”) and 2016 Tax Allocation Refunding Bonds, Taxable Series B (the “Series 2016B Bonds” and, together with the Series 2016A Bonds, the “Refunding Bonds”) in the aggregate principal amount of \$[_____] and \$[_____] , respectively, pursuant to the terms of an Indenture of Trust, dated as of [_____] 1, 2016 (the “Refunding Indenture”), between the Agency and the Trustee; and

WHEREAS, the Refunding Bonds are being issued for the purpose of providing moneys, which will, among other things, be sufficient to refinance all or a portion of the Refunded Obligations; and

WHEREAS, the Refunding Indenture contemplates the setting aside of a portion of the proceeds of the Refunding Bonds in order to prepay or redeem, as applicable, the Refunded Obligations [and that such proceeds shall be deposited in separate special escrow funds to be created hereunder and to be maintained by the Escrow Agent]; and

WHEREAS, the Agency has taken action to cause to be delivered to the Escrow Agent for deposit in or credit to the Prepayment Escrows and Refunding Escrows (as defined below) cash in the amount of \$_____ which has been certified by Grant Thornton, LLP,

Minneapolis, Minnesota, to be sufficient to pay all of the Agency's and the Former RDA's obligations in connection with the Refunded Obligations;

NOW, THEREFORE, the Agency and the Escrow Agent hereby agree as follows:

Section 1. Establishment, Funding and Maintenance of the Prepayment and Refunding Escrows; Notice of Prepayment or Redemption.

(a) The Agency has caused the Trustee to transfer to the Escrow Agent an aggregate sum of \$[_____] derived from the proceeds of the Refunding Bonds. The Escrow Agent hereby accepts and acknowledges receipt of such moneys to secure the payment of all or a portion of the Refunded Obligations. The Escrow Agent agrees to establish and maintain, until the obligations of the Agency and the Former RDA in connection with the Refunded Obligations have been prepaid or redeemed, as applicable, a separate fund for each of the Refunded Obligations, designated as follows: (i) the "2003 COPs Prepayment Escrow," (ii) the "Ambac Settlement Agreement Prepayment Escrow," (iii) the "2004 Arena Bonds Refunding Escrow," (iv) the "Arena Settlement Agreements Prepayment Escrow," (v) the "2006A Bonds Refunding Escrow" and (vi) the "2006C Bonds Refunding Escrow" (each a "Prepayment Escrow" or "Refunding Escrow," as the case may be). All moneys in each Prepayment Escrow and Refunding Escrow are hereby irrevocably pledged to secure the payment of the Agency's and the Former RDA's obligations in connection with the applicable Refunded Obligations. The Escrow Agent further agrees to hold the moneys therein at all times as a special and separate trust fund (wholly segregated from all other securities, investments or moneys on deposit with the Escrow Agent).

(b) The Agency hereby requests and irrevocably instructs the Trustee to give notice of (i) the prepayment of the 2003 COPs scheduled for [_____] , 2016, at the time and in the manner provided in the 2003 Trust Agreement; (ii) the redemption of the 2004 Arena Bonds scheduled for [_____] , 2016, at the time and in the manner provided in the 2004 Indenture; (iii) the redemption of the 2006A Bonds scheduled for [September 1], 2016, at the time and in the manner provided in the 2006A Indenture; and (iv) the redemption of the 2006C Bonds scheduled for [September 1], 2016, at the time and in the manner provided in the 2006C Indenture.

Section 2. Cash Deposit in the Prepayment Escrows and Refunding Escrows.

(a) From the proceeds of the Series 2016A Bonds, the Agency hereby directs the Escrow Agent to accept the following cash deposits: (i) \$[_____] for deposit in the "2003 COPs Prepayment Escrow," (ii) \$[_____] for deposit in the "Ambac Settlement Agreement Prepayment Escrow," (iii) \$[_____] for deposit in the "2004 Arena Bonds Refunding Escrow," (iv) \$[_____] for deposit in the "Arena Settlement Agreements Prepayment Escrow" and (v) \$[_____] for deposit in the "2006A Bonds Refunding Escrow."

(b) From the proceeds of the Series 2016B Bonds, the Agency hereby directs the Escrow Agent to accept the cash deposit of \$[_____] for deposit in the "2006C Bonds Refunding Escrow."

(c) Upon the deposit of such moneys, the moneys on deposit in each Prepayment Escrow and Refunding Escrow will be at least equal to an amount sufficient to make the payments required by Section 3 hereof.

Section 3. Funding of the Refunding Funds; Prepayment and Redemption of the Refunded Obligations. Pursuant to the Refunding Indenture, the Agency hereby requests and irrevocably instructs the Escrow Agent to transfer the moneys on deposit in: (i) the “2003 COPs Prepayment Escrow” to the 2003 COPs Trustee for deposit in the “Lease Payment Fund” held by the 2003 COPs Trustee pursuant to the 2003 Trust Agreement (the “Lease Payment Fund”), (ii) the “2004 Arena Bonds Refunding Escrow” to the 2004 Arena Trustee for deposit in the “Redemption Fund” held by the 2004 Arena Trustee pursuant to the 2004 Indenture (the “Redemption Fund”), (iii) the “2006A Bonds Refunding Escrow” to the 2006A Trustee for deposit in the “Revenue Fund” held by the 2006A Trustee pursuant to the 2006A Indenture (the “2006A Revenue Fund”), and (iv) “2006C Bonds Refunding Escrow” to the “Revenue Fund” held by the 2006C Trustee pursuant to the 2006C Indenture (the “2006C Revenue Fund” and, together with the Lease Payment Fund, the Redemption Fund and the 2006A Revenue Fund, the “Refunding Funds”).

Upon payment in full of the Agency’s and the Former RDA’s obligations in connection with the Refunded Obligations, the Escrow Agent shall transfer any moneys remaining in any Prepayment Escrow or Refunding Escrow to the Agency after provision for payment of amounts due the Escrow Agent pursuant to Section 4 and 11 hereof, and this Agreement shall terminate. The cash flow for each Prepayment Escrow and Refunding Escrow is set forth in Exhibit A attached hereto.

Section 4. Fees and Costs.

(a) The Agency shall pay to the Escrow Agent from time to time reasonable compensation for all services rendered under this Agreement. The parties hereto agree that the duties and obligations of the Escrow Agent shall be as expressly provided herein, and no implied duties or obligations shall be read into this Agreement against the Escrow Agent.

(b) The Agency shall pay to the Escrow Agent additional fees and reimbursements for costs incurred, including but not limited to legal and accountants’ services, involving this Agreement.

(c) The fees of and the costs incurred by the Escrow Agent shall in no event be deducted or payable from, or constitute a lien against, any Prepayment Escrow or Refunding Escrow, except as otherwise provided herein.

Section 5. Merger or Consolidation. Any company into which the Escrow Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under this Agreement, shall be the successor of such Escrow Agent without the execution or filing of any paper or any further act, notwithstanding anything herein to the contrary.

Section 6. Resignation of Escrow Agent. The Escrow Agent may at any time resign by giving written notice to the Agency of such resignation. The Agency shall promptly appoint a successor Escrow Agent upon receipt of such notice. Resignation of the Escrow Agent will be effective only upon acceptance of appointment of a successor Escrow Agent. If the Agency does not appoint a successor, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent, which court may thereupon, after such notice, if required by law, appoint a successor Escrow Agent. After receiving a notice of resignation of an Escrow Agent, the Agency may appoint a temporary Escrow Agent to replace the resigning Escrow Agent until the Agency appoints a successor Escrow Agent. Any such temporary Escrow Agent so appointed by the Agency shall immediately and without further act be superseded by the successor Escrow Agent so appointed.

Section 7. Severability. If any section, paragraph, sentence, clause or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Agreement.

Section 8. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Section 9. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 10. Definitions. Any capitalized term used but not otherwise defined in this Agreement shall have the meaning assigned to such term in the Refunding Indenture.

Section 11. Indemnification. The Agency agrees to indemnify, hold harmless and defend the Escrow Agent and its officers, directors, employees and agents to the maximum extent permitted by law against any and all losses, damages, claims, actions, liabilities, costs and expenses of whatever nature, kind or character (including, without limitation, attorneys' fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) which may be imposed on, or incurred by or asserted against the Escrow Agent directly or indirectly arising out of or related to the acceptance and performance by the Escrow Agent of its duties hereunder. This indemnification shall apply whether any such claim, suit, investigation, proceeding or action is based upon (i) the interference with or breach of or alleged interference with or alleged breach of any existing contract in connection with the Refunded Obligations, (ii) any untrue statement or alleged untrue statement of a material fact or omission of a material fact required to be stated in any offering document with respect to the Refunded Obligations necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or (iii) any other wrongful act or alleged wrongful act of the Agency related to the prepayment or redemption, as applicable, of the Refunded Obligations; provided, however, that this indemnification shall not cover any losses or expenses incurred by the Escrow Agent as a result of its negligence or willful misconduct. In addition to the foregoing, the prevailing party in any lawsuit shall be entitled to attorneys' fees and costs incurred in any judgment proceeding to collect or enforce the judgment. This provision is separate and severable and shall survive the merger of this Agreement into any judgment on this Agreement.

The agreements of the Agency hereunder shall survive termination of this Agreement.

Section 12. Immunities and Liability of Escrow Agent.

(a) The Escrow Agent undertakes to perform only such duties as are expressly and specifically set forth in this Agreement and no implied duties or obligations shall be read into this Agreement against the Escrow Agent.

(b) The Escrow Agent shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Agent be liable for any special, indirect or consequential damages, even if the Escrow Agent or the Agency knows of the possibility of such damages. The Escrow Agent shall have no duty or responsibility under this Agreement in the case of any default in the performance of the covenants or agreements contained in the Refunding Indenture. The Escrow Agent is not required to resolve conflicting demands to money or property in its possession under this Agreement.

(c) The Escrow Agent may consult with counsel of its own choice (which may be counsel to the Agency) and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action hereunder in accordance with such opinion of counsel.

(d) The Escrow Agent shall not be responsible for any of the recitals or representations contained herein or in the 2003 Trust Agreement, the Ambac Settlement Agreement, the 2004 Indenture, the Arena Settlement Agreements, the 2006A Indenture or the 2006C Indenture, other than recitals or representations specifically made by the Escrow Agent.

(e) The Escrow Agent may become the owner of, or acquire any interest in, any of the Refunding Obligations with the same rights that it would have if it were not the Escrow Agent and may engage or be interested in any financial or other transaction with the Agency.

(f) The Escrow Agent shall not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys or securities deposited with it to pay all of the Agency's and the Former RDA's obligations in connection with the Refunded Obligations.

(g) The Escrow Agent shall not be liable for any action or omission of the Agency under this Agreement, the 2003 Trust Agreement, the Ambac Settlement Agreement, the 2004 Indenture, the Arena Settlement Agreements, the 2006A Indenture or the 2006C Indenture.

(h) Whenever in the administration of this Agreement the Escrow Agent 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, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be deemed to be conclusively proved and established by a certificate of any authorized representative of the Agency, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be full warrant to the Escrow Agent for any action taken or suffered by it under the provisions of this Agreement upon the faith thereof.

(i) The Escrow Agent may conclusively rely as to the truth and accuracy of the statements and correctness of the opinions and the calculations provided to it in connection with this Agreement and shall be protected in acting, or refraining from acting, upon any written notice, instruction, request, certificate, document or opinion furnished to the Escrow Agent in connection with this Agreement and reasonably believed by the Escrow Agent to have been signed or presented by the proper party, and it need not investigate any fact or matter stated in such notice, instruction, request, certificate or opinion.

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

Section 13. Termination of Agreement. Upon payment in full of all of the Agency’s and the Former RDA’s obligations in connection with the Refunded Obligations and all of the fees and expenses of the Escrow Agent as described above, all obligations of the Escrow Agent under this Agreement shall cease and terminate; provided, however, the obligations of the Escrow Agent with respect to the payment of the respective Refunded Obligations shall cease and terminate as described hereunder and in accordance with the 2003 Trust Agreement, the Ambac Settlement Agreement, the 2004 Indenture, the Arena Settlement Agreements, the 2006A Indenture or the 2006C Indenture, as applicable.

IN WITNESS WHEREOF, the Successor Agency to the Redevelopment Agency of the City of Stockton and Wells Fargo Bank, National Association have caused this Agreement to be executed each on its behalf as of the day and year first above written.

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF STOCKTON**

By: _____
Executive Director

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Escrow Agent**

By: _____
Authorized Officer

EXHIBIT A**PREPAYMENT ESCROWS AND REFUNDING ESCROWS CASH FLOW**

The cash flow for the Prepayment Escrows and the Refunding Escrows is set forth on Exhibit A to the Verification Report prepared by [_____], attached hereto and incorporated herein by reference as though fully set forth herein and made a part hereof, relating to the Refunding Bonds.

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2016 Tax Allocation Refunding Bonds

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

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2016 Tax Allocation Refunding Bonds

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

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SOURCES AND USES OF FUNDS

Successor Agency to the Stockton Redevelopment Agency
2016 Tax Allocation Refunding Bonds

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

	Dated Date	10/04/2016				
	Delivery Date	10/04/2016				
Sources:	2016 Refunding of 2003A COPs (Tax-Exempt)	2016 Refunding of 2003B COPs (Taxable)	2016 Refunding of 2004 Bonds (Tax-Exempt)	2016 Refunding of 2006A TABs (Tax-Exempt)	2016 Refunding of 2006C TABs (Taxable)	Total
Bond Proceeds:						
Par Amount	795,000.00	10,250,000.00	37,155,000.00	41,185,000.00	21,800,000.00	111,185,000.00
Premium	148,744.50	-	5,579,421.90	5,874,741.55	-	11,602,907.95
	<u>943,744.50</u>	<u>10,250,000.00</u>	<u>42,734,421.90</u>	<u>47,059,741.55</u>	<u>21,800,000.00</u>	<u>122,787,907.95</u>
Other Sources of Funds:						
Prior Debt Service Reserve Fund	81,853.00	919,932.00	3,596,582.00	4,866,326.00	2,126,660.00	11,591,353.00
	<u>1,025,597.50</u>	<u>11,169,932.00</u>	<u>46,331,003.90</u>	<u>51,926,067.55</u>	<u>23,926,660.00</u>	<u>134,379,260.95</u>
Uses:	2016 Refunding of 2003A COPs (Tax-Exempt)	2016 Refunding of 2003B COPs (Taxable)	2016 Refunding of 2004 Bonds (Tax-Exempt)	2016 Refunding of 2006A TABs (Tax-Exempt)	2016 Refunding of 2006C TABs (Taxable)	Total
Refunding Escrow Deposits:						
Cash Deposit	0.80	1.03	0.75	0.39	1.02	3.99
SLGS Purchases	951,715.00	10,234,750.00	42,956,966.00	48,192,658.00	21,938,323.00	124,274,412.00
	<u>951,715.80</u>	<u>10,234,751.03</u>	<u>42,956,966.75</u>	<u>48,192,658.39</u>	<u>21,938,324.02</u>	<u>124,274,415.99</u>
Other Fund Deposits:						
Debt Service Reserve Fund	60,816.41	784,110.94	2,842,306.54	3,150,596.01	1,667,670.10	8,505,500.00
Delivery Date Expenses:						
Cost of Issuance	3,335.60	43,006.03	155,891.60	172,800.30	91,466.47	466,500.00
Underwriter's Discount	7,940.92	107,507.68	371,124.75	411,378.62	228,650.46	1,126,602.43
	<u>11,276.52</u>	<u>150,513.71</u>	<u>527,016.35</u>	<u>584,178.92</u>	<u>320,116.93</u>	<u>1,593,102.43</u>
Other Uses of Funds:						
Contingency	1,788.77	556.32	4,714.26	-1,365.77	548.95	6,242.53
	<u>1,025,597.50</u>	<u>11,169,932.00</u>	<u>46,331,003.90</u>	<u>51,926,067.55</u>	<u>23,926,660.00</u>	<u>134,379,260.95</u>

Notes:

The tax-exempt financings were evaluated at interest rate spreads to the generic 'AAA' municipal yield (MMD). The taxable financings were evaluated at interest rate spreads to United States Treasury obligations. The interest rate assumptions in this presentation are based on current market conditions and similar credits. Actual results may differ, and Stifel makes no commitment to underwrite at these levels. Based on MMD and treasury rates as of May 5, 2016.

- (1) Prior reserve fund balances from March 2016 continuing disclosure reports, 2006A balance doesn't account for potential AIG premium.
- (2) Cost of issuance and underwriter's discount are estimated, see pages 4 and 5 for details.
- (3) Savings for 2004 Bonds have been revised such that the 'prior debt service' reflects the amended pledge agreement.
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DISCLOSURE - MUNICIPAL ADVISOR EXCLUSION & UNDERWRITER'S G-23

Successor Agency to the Stockton Redevelopment Agency
2016 Tax Allocation Refunding Bonds

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

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Based on representations you have made to Stifel, we understand that you are represented by, and will rely on the advice of, an independent registered municipal advisor (within the meaning of the SEC's Municipal Advisor Rule) with respect to all aspects of the issuance of municipal securities and municipal financial products including all topics covered by the attached information. Stifel is providing the attached materials including all information and advice contained therein in reliance on these representations. Stifel does not act as your municipal advisor.

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Notes:

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SUMMARY OF REFUNDING RESULTS

Successor Agency to the Stockton Redevelopment Agency
2016 Tax Allocation Refunding Bonds

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

	2016 Refunding of 2003A COPs (Tax-Exempt)	2016 Refunding of 2003B COPs (Taxable)	2016 Refunding of 2004 Bonds (Tax-Exempt)	2016 Refunding of 2006A TABs (Tax-Exempt)	2016 Refunding of 2006C TABs (Taxable)	Total
Dated Date	10/04/2016	10/04/2016	10/04/2016	10/04/2016	10/04/2016	10/04/2016
Delivery Date	10/04/2016	10/04/2016	10/04/2016	10/04/2016	10/04/2016	10/04/2016
Arbitrage Yield	3.250362%	2.547214%	3.250362%	3.250362%	3.829219%	3.250362%
Escrow Yield	0.183724%	0.183726%	0.183727%	0.183727%	0.183727%	0.183727%
Value of Negative Arbitrage	2,328.25	19,335.94	105,088.49	117,896.93	63,694.27	308,343.88
Bond Par Amount	795,000.00	10,250,000.00	37,155,000.00	41,185,000.00	21,800,000.00	111,185,000.00
True Interest Cost	2.745581%	3.157282%	3.743656%	3.893227%	4.030268%	3.829440%
Net Interest Cost	3.011846%	3.134892%	4.047450%	4.201840%	4.016240%	4.103388%
All-In TIC	2.794219%	3.404038%	3.778331%	3.925548%	4.111428%	3.871041%
Average Coupon	5.000000%	2.549032%	5.000000%	5.000000%	3.839924%	4.859046%
Average Life	8.908	1.790	14.716	16.620	5.949	12.469
Par amount of refunded bonds	945,000.00	10,145,000.00	42,615,000.00	47,775,000.00	21,685,000.00	123,165,000.00
Average coupon of refunded bonds	4.301344%	5.265107%	4.902946%	5.214332%	6.870000%	5.398668%
Average life of refunded bonds	9.871	10.116	12.996	12.000	12.668	12.291
PV of prior debt	1,080,885.63	12,574,150.69	50,148,045.21	56,591,765.35	28,102,748.76	-
Net PV Savings	117,893.31	2,188,885.95	3,168,438.77	4,902,478.76	5,844,307.81	16,222,004.60
Percentage savings of refunded bonds	12.475483%	21.576007%	7.435032%	10.261599%	26.950924%	13.170953%
Percentage savings of refunding bonds	14.829347%	21.354985%	8.527624%	11.903554%	26.808751%	14.590102%

Notes:

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COST OF ISSUANCE

Successor Agency to the Stockton Redevelopment Agency
2016 Tax Allocation Refunding Bonds

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Cost of Issuance	\$/1000	Amount
Bond / Disclosure Counsel	2.02365	225,000.00
Municipal Advisor	0.31479	35,000.00
Fiscal Consultant	0.26982	30,000.00
S&P Rating Fee	0.58461	65,000.00
Fitch Rating Fee	0.53964	60,000.00
Printing of Official Statement	0.08994	10,000.00
Trustee / Escrow Agent	0.20237	22,500.00
Trustee Counsel	0.02249	2,500.00
Verification Agent	0.03598	4,000.00
Contingency	0.11243	12,500.00
	4.19571	466,500.00

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UNDERWRITER'S DISCOUNT

Successor Agency to the Stockton Redevelopment Agency
2016 Tax Allocation Refunding Bonds

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Underwriter's Discount	\$/1000	Amount
Average Takedown	9.64413	1,072,282.50
Underwriter's Counsel	0.35976	40,000.00
Lumesis Continuing Disclosure Report	0.00540	600.00
Out-of-Pocket/Miscellaneous Expenses	0.00225	250.00
Ipreo Bookrunning System	0.03090	3,435.62
Ipreo Wire Fees	0.00054	60.00
Ipreo Order Monitor/Dealer EOE	0.01500	1,667.78
Blue Sky Survey	0.00450	500.00
DTC Setup	0.00720	800.00
CDIAC	0.02698	3,000.00
CUSIP Numbers	0.00868	965.00
Day Loan	0.02736	3,041.53
	10.13268	1,126,602.43

Notes:

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SAVINGS

Successor Agency to the Stockton Redevelopment Agency
2016 Tax Allocation Refunding Bonds

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Date	Prior Debt Service	Refunding Debt Service	Savings
09/01/2017	10,579,535.15	8,502,324.97	2,077,210.18
09/01/2018	9,986,193.13	8,503,604.50	1,482,588.63
09/01/2019	10,661,424.81	8,500,425.50	2,160,999.31
09/01/2020	10,771,784.99	8,502,720.00	2,269,064.99
09/01/2021	8,067,181.43	8,504,280.00	-437,098.57
09/01/2022	8,993,471.35	8,500,420.00	493,051.35
09/01/2023	9,501,513.82	8,499,644.00	1,001,869.82
09/01/2024	10,571,379.49	8,502,828.00	2,068,551.49
09/01/2025	10,572,883.74	8,504,236.00	2,068,647.74
09/01/2026	9,943,795.55	8,503,000.00	1,440,795.55
09/01/2027	10,007,951.00	8,501,250.00	1,506,701.00
09/01/2028	10,089,622.35	8,502,750.00	1,586,872.35
09/01/2029	10,191,974.60	8,501,750.00	1,690,224.60
09/01/2030	10,137,323.76	8,502,750.00	1,634,573.76
09/01/2031	10,210,260.85	8,505,000.00	1,705,260.85
09/01/2032	10,399,178.85	8,502,750.00	1,896,428.85
09/01/2033	10,471,654.96	8,505,500.00	1,966,154.96
09/01/2034	9,567,156.45	8,502,250.00	1,064,906.45
09/01/2035	9,135,008.20	8,502,500.00	632,508.20
09/01/2036	9,227,383.50	8,500,250.00	727,133.50
09/01/2037	4,995,664.00	8,499,750.00	-3,504,086.00
	204,082,341.98	178,549,982.97	25,532,359.01

Savings Summary

Dated Date	10/04/2016
Delivery Date	10/04/2016
PV of savings from cash flow	19,301,615.07
Less: Prior funds on hand	-11,591,353.00
Plus: Refunding funds on hand	8,511,742.53
	16,222,004.60
Net PV Savings	16,222,004.60

Notes:

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AGGREGATE DEBT SERVICE

Successor Agency to the Stockton Redevelopment Agency
2016 Tax Allocation Refunding Bonds

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Period Ending	2016 Refunding of 2003A COPs (Tax-Exempt)	2016 Refunding of 2003B COPs (Taxable)	2016 Refunding of 2004 Bonds (Tax-Exempt)	2016 Refunding of 2006A TABs (Tax-Exempt)	2016 Refunding of 2006C TABs (Taxable)	Aggregate Debt Service
09/01/2017	36,106.25	4,170,872.07	1,687,456.25	1,870,485.42	737,404.98	8,502,324.97
09/01/2018	39,750.00	3,735,032.50	1,857,750.00	2,059,250.00	811,822.00	8,503,604.50
09/01/2019	39,750.00	2,811,853.50	1,857,750.00	2,059,250.00	1,731,822.00	8,500,425.50
09/01/2020	39,750.00	-	1,857,750.00	2,059,250.00	4,545,970.00	8,502,720.00
09/01/2021	39,750.00	-	1,857,750.00	2,059,250.00	4,547,530.00	8,504,280.00
09/01/2022	39,750.00	-	1,857,750.00	2,059,250.00	4,543,670.00	8,500,420.00
09/01/2023	39,750.00	-	1,857,750.00	2,059,250.00	4,542,894.00	8,499,644.00
09/01/2024	39,750.00	-	1,857,750.00	2,059,250.00	4,546,078.00	8,502,828.00
09/01/2025	834,750.00	-	4,837,750.00	2,059,250.00	772,486.00	8,504,236.00
09/01/2026	-	-	1,708,750.00	6,794,250.00	-	8,503,000.00
09/01/2027	-	-	1,708,750.00	6,792,500.00	-	8,501,250.00
09/01/2028	-	-	6,928,750.00	1,574,000.00	-	8,502,750.00
09/01/2029	-	-	6,927,750.00	1,574,000.00	-	8,501,750.00
09/01/2030	-	-	1,173,750.00	7,329,000.00	-	8,502,750.00
09/01/2031	-	-	7,218,750.00	1,286,250.00	-	8,505,000.00
09/01/2032	-	-	7,216,500.00	1,286,250.00	-	8,502,750.00
09/01/2033	-	-	7,219,250.00	1,286,250.00	-	8,505,500.00
09/01/2034	-	-	221,000.00	8,281,250.00	-	8,502,250.00
09/01/2035	-	-	4,641,000.00	3,861,500.00	-	8,502,500.00
09/01/2036	-	-	-	8,500,250.00	-	8,500,250.00
09/01/2037	-	-	-	8,499,750.00	-	8,499,750.00
	1,149,106.25	10,717,758.07	64,493,706.25	75,409,735.42	26,779,676.98	178,549,982.97

Notes:

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BOND PRICING

Successor Agency to the Stockton Redevelopment Agency
2016 Tax Allocation Refunding Bonds

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date for Arb Yield	Call Price for Arb Yield	Premium (-Discount)	Takedown
Serial Bond:										
	09/01/2025	3,775,000	5.000%	2.630%	118.710	-	-	-	706,302.50	9.500
	09/01/2026	4,735,000	5.000%	2.760%	119.300	-	-	-	913,855.00	9.500
	09/01/2027	4,970,000	5.000%	2.930%	117.687 C	3.078%	09/01/2026	100.000	879,043.90	9.500
	09/01/2028	5,220,000	5.000%	3.060%	116.471 C	3.314%	09/01/2026	100.000	859,786.20	9.500
	09/01/2029	5,480,000	5.000%	3.130%	115.822 C	3.469%	09/01/2026	100.000	867,045.60	9.500
	09/01/2030	5,755,000	5.000%	3.170%	115.453 C	3.579%	09/01/2026	100.000	889,320.15	9.500
	09/01/2031	6,045,000	5.000%	3.230%	114.903 C	3.691%	09/01/2026	100.000	900,886.35	9.500
	09/01/2032	6,345,000	5.000%	3.290%	114.356 C	3.790%	09/01/2026	100.000	910,888.20	9.500
	09/01/2033	6,665,000	5.000%	3.350%	113.811 C	3.878%	09/01/2026	100.000	920,503.15	9.500
	09/01/2034	6,995,000	5.000%	3.410%	113.270 C	3.958%	09/01/2026	100.000	928,236.50	9.500
	09/01/2035	7,345,000	5.000%	3.470%	112.732 C	4.031%	09/01/2026	100.000	935,165.40	9.500
	09/01/2036	7,710,000	5.000%	3.530%	112.197 C	4.098%	09/01/2026	100.000	940,388.70	9.500
	09/01/2037	8,095,000	5.000%	3.580%	111.754 C	4.153%	09/01/2026	100.000	951,486.30	9.500
		79,135,000							11,602,907.95	
Taxable Serials:										
	09/01/2017	3,945,000	2.120%	2.120%	100.000	-	-	-	-	10.000
	09/01/2018	3,570,000	2.470%	2.470%	100.000	-	-	-	-	10.000
	09/01/2019	3,655,000	2.810%	2.810%	100.000	-	-	-	-	10.000
	09/01/2020	3,760,000	3.150%	3.150%	100.000	-	-	-	-	10.000
	09/01/2021	3,880,000	3.450%	3.450%	100.000	-	-	-	-	10.000
	09/01/2022	4,010,000	3.760%	3.760%	100.000	-	-	-	-	10.000
	09/01/2023	4,160,000	4.010%	4.010%	100.000	-	-	-	-	10.000
	09/01/2024	4,330,000	4.240%	4.240%	100.000	-	-	-	-	10.000
	09/01/2025	740,000	4.390%	4.390%	100.000	-	-	-	-	10.000
		32,050,000							-	
		111,185,000							11,602,907.95	

Dated Date	10/04/2016	
Delivery Date	10/04/2016	
First Coupon	03/01/2017	
Par Amount	111,185,000.00	
Premium	11,602,907.95	
Production	122,787,907.95	110.435677%
Underwriter's Discount	-1,126,602.43	-1.013268%
Purchase Price	121,661,305.52	109.422409%
Accrued Interest	-	
Net Proceeds	121,661,305.52	

BOND PRICING

Successor Agency to the Stockton Redevelopment Agency
2016 Tax Allocation Refunding Bonds

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

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ESCROW DESCRIPTIONS

Successor Agency to the Stockton Redevelopment Agency
2016 Tax Allocation Refunding Bonds

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate	Total Cost
Oct 4, 2016:							
SLGS	Certificate	11/03/2016	11/03/2016	124,274,412	0.180%	0.180%	124,274,412.00
				124,274,412			124,274,412.00

SLGS Summary

SLGS Rates File	05MAY16
Total Certificates of Indebtedness	124,274,412.00

Notes:

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SOURCES AND USES OF FUNDS

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2003A COPs (Tax-Exempt)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Dated Date	10/04/2016
Delivery Date	10/04/2016

Sources:

Bond Proceeds:	
Par Amount	795,000.00
Premium	148,744.50
	<u>943,744.50</u>
Other Sources of Funds:	
Prior Debt Service Reserve Fund	81,853.00
	<u>1,025,597.50</u>

Uses:

Refunding Escrow Deposits:	
Cash Deposit	0.80
SLGS Purchases	951,715.00
	<u>951,715.80</u>
Other Fund Deposits:	
Debt Service Reserve Fund	60,816.41
Delivery Date Expenses:	
Cost of Issuance	3,335.60
Underwriter's Discount	7,940.92
	<u>11,276.52</u>
Other Uses of Funds:	
Contingency	1,788.77
	<u>1,025,597.50</u>

SUMMARY OF REFUNDING RESULTS

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2003A COPs (Tax-Exempt)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Dated Date	10/04/2016
Delivery Date	10/04/2016
Arbitrage yield	3.250362%
Escrow yield	0.183724%
Value of Negative Arbitrage	2,328.25
Bond Par Amount	795,000.00
True Interest Cost	2.745581%
Effective Interest Cost	2.630610%
Net Interest Cost	3.011846%
All-In TIC	2.794219%
Average Coupon	5.000000%
Average Life	8.908
Par amount of refunded bonds	945,000.00
Average coupon of refunded bonds	4.301344%
Average life of refunded bonds	9.871
PV of prior debt to 10/04/2016 @ 2.630610%	1,080,885.63
Net PV Savings	117,893.31
Percentage savings of refunded bonds	12.475483%
Percentage savings of refunding bonds	14.829347%

SAVINGS

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2003A COPs (Tax-Exempt)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 10/04/2016 @ 2.6306098%
09/01/2017	79,812.50	36,106.25	43,706.25	42,728.13
09/01/2018	78,332.50	39,750.00	38,582.50	36,696.58
09/01/2019	81,812.50	39,750.00	42,062.50	38,965.99
09/01/2020	80,012.50	39,750.00	40,262.50	36,324.91
09/01/2021	78,212.50	39,750.00	38,462.50	33,794.16
09/01/2022	81,412.50	39,750.00	41,662.50	35,654.40
09/01/2023	79,350.00	39,750.00	39,600.00	33,001.53
09/01/2024	77,287.50	39,750.00	37,537.50	30,461.80
09/01/2025	80,162.50	834,750.00	-754,587.50	-597,935.37
09/01/2026	77,825.00	-	77,825.00	60,185.98
09/01/2027	80,487.50	-	80,487.50	60,623.92
09/01/2028	77,937.50	-	77,937.50	57,179.77
09/01/2029	80,312.50	-	80,312.50	57,387.37
09/01/2030	77,468.76	-	77,468.76	53,916.90
09/01/2031	79,625.00	-	79,625.00	53,973.84
09/01/2032	81,562.50	-	81,562.50	53,846.68
09/01/2033	78,281.26	-	78,281.26	50,334.53
	1,349,895.02	1,149,106.25	200,788.77	137,141.13

Savings Summary

Dated Date	10/04/2016
Delivery Date	10/04/2016
PV of savings from cash flow	137,141.13
Less: Prior funds on hand	-81,853.00
Plus: Refunding funds on hand	62,605.18
Net PV Savings	117,893.31

SUMMARY OF BONDS REFUNDED

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2003A COPs (Tax-Exempt)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
2003A COPs:					
Serial Bond	09/01/2017	3.700%	40,000.00	11/03/2016	100.000
	09/01/2018	3.800%	40,000.00	11/03/2016	100.000
	09/01/2019	4.000%	45,000.00	11/03/2016	100.000
	09/01/2020	4.000%	45,000.00	11/03/2016	100.000
	09/01/2021	4.000%	45,000.00	11/03/2016	100.000
	09/01/2022	4.125%	50,000.00	11/03/2016	100.000
	09/01/2023	4.125%	50,000.00	11/03/2016	100.000
Term Bond	09/01/2027	4.250%	220,000.00	11/03/2016	100.000
Term Bond #2	09/01/2033	4.375%	410,000.00	11/03/2016	100.000
			945,000.00		

PRIOR BOND DEBT SERVICE

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2003A COPs (Tax-Exempt)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Dated Date 10/04/2016
Delivery Date 10/04/2016

2003A COPs

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/04/2016	-	-	-	-	-
03/01/2017	-	-	19,906.25	19,906.25	-
09/01/2017	40,000	3.700%	19,906.25	59,906.25	79,812.50
03/01/2018	-	-	19,166.25	19,166.25	-
09/01/2018	40,000	3.800%	19,166.25	59,166.25	78,332.50
03/01/2019	-	-	18,406.25	18,406.25	-
09/01/2019	45,000	4.000%	18,406.25	63,406.25	81,812.50
03/01/2020	-	-	17,506.25	17,506.25	-
09/01/2020	45,000	4.000%	17,506.25	62,506.25	80,012.50
03/01/2021	-	-	16,606.25	16,606.25	-
09/01/2021	45,000	4.000%	16,606.25	61,606.25	78,212.50
03/01/2022	-	-	15,706.25	15,706.25	-
09/01/2022	50,000	4.125%	15,706.25	65,706.25	81,412.50
03/01/2023	-	-	14,675.00	14,675.00	-
09/01/2023	50,000	4.125%	14,675.00	64,675.00	79,350.00
03/01/2024	-	-	13,643.75	13,643.75	-
09/01/2024	50,000	4.250%	13,643.75	63,643.75	77,287.50
03/01/2025	-	-	12,581.25	12,581.25	-
09/01/2025	55,000	4.250%	12,581.25	67,581.25	80,162.50
03/01/2026	-	-	11,412.50	11,412.50	-
09/01/2026	55,000	4.250%	11,412.50	66,412.50	77,825.00
03/01/2027	-	-	10,243.75	10,243.75	-
09/01/2027	60,000	4.250%	10,243.75	70,243.75	80,487.50
03/01/2028	-	-	8,968.75	8,968.75	-
09/01/2028	60,000	4.375%	8,968.75	68,968.75	77,937.50
03/01/2029	-	-	7,656.25	7,656.25	-
09/01/2029	65,000	4.375%	7,656.25	72,656.25	80,312.50
03/01/2030	-	-	6,234.38	6,234.38	-
09/01/2030	65,000	4.375%	6,234.38	71,234.38	77,468.76
03/01/2031	-	-	4,812.50	4,812.50	-
09/01/2031	70,000	4.375%	4,812.50	74,812.50	79,625.00
03/01/2032	-	-	3,281.25	3,281.25	-
09/01/2032	75,000	4.375%	3,281.25	78,281.25	81,562.50
03/01/2033	-	-	1,640.63	1,640.63	-
09/01/2033	75,000	4.375%	1,640.63	76,640.63	78,281.26
	945,000		404,895.02	1,349,895.02	1,349,895.02

SOURCES AND USES OF FUNDS

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2003B COPs (Taxable)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Dated Date	10/04/2016
Delivery Date	10/04/2016

Sources:

<u>Bond Proceeds:</u>	
Par Amount	10,250,000.00
<u>Other Sources of Funds:</u>	
Prior Debt Service Reserve Fund	919,932.00
	<u>11,169,932.00</u>

Uses:

<u>Refunding Escrow Deposits:</u>	
Cash Deposit	1.03
SLGS Purchases	<u>10,234,750.00</u>
	10,234,751.03
<u>Other Fund Deposits:</u>	
Debt Service Reserve Fund	784,110.94
<u>Delivery Date Expenses:</u>	
Cost of Issuance	43,006.03
Underwriter's Discount	<u>107,507.68</u>
	150,513.71
<u>Other Uses of Funds:</u>	
Contingency	556.32
	<u>11,169,932.00</u>

SUMMARY OF REFUNDING RESULTS

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2003B COPs (Taxable)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Dated Date	10/04/2016
Delivery Date	10/04/2016
Arbitrage yield	2.547214%
Escrow yield	0.183726%
Value of Negative Arbitrage	19,335.94
Bond Par Amount	10,250,000.00
True Interest Cost	3.157282%
Effective Interest Cost	2.547214%
Net Interest Cost	3.134892%
All-In TIC	3.404038%
Average Coupon	2.549032%
Average Life	1.790
Par amount of refunded bonds	10,145,000.00
Average coupon of refunded bonds	5.265107%
Average life of refunded bonds	10.116
PV of prior debt to 10/04/2016 @ 2.547214%	12,574,150.69
Net PV Savings	2,188,885.95
Percentage savings of refunded bonds	21.576007%
Percentage savings of refunding bonds	21.354985%

SAVINGS

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2003B COPs (Taxable)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 10/04/2016 @ 2.5472140%
09/01/2017	919,927.00	4,170,872.07	-3,250,945.07	-3,175,020.87
09/01/2018	917,299.00	3,735,032.50	-2,817,733.50	-2,682,757.87
09/01/2019	916,320.00	2,811,853.50	-1,895,533.50	-1,758,556.45
09/01/2020	919,305.00	-	919,305.00	835,423.32
09/01/2021	915,995.00	-	915,995.00	811,488.65
09/01/2022	916,649.00	-	916,649.00	791,636.24
09/01/2023	916,008.00	-	916,008.00	771,175.11
09/01/2024	919,072.00	-	919,072.00	754,268.38
09/01/2025	915,032.00	-	915,032.00	732,044.41
09/01/2026	919,672.00	-	919,672.00	717,208.27
09/01/2027	917,464.00	-	917,464.00	697,451.71
09/01/2028	918,672.00	-	918,672.00	680,754.30
09/01/2029	918,032.00	-	918,032.00	663,114.44
09/01/2030	915,544.00	-	915,544.00	644,623.21
09/01/2031	916,208.00	-	916,208.00	628,795.26
09/01/2032	919,760.00	-	919,760.00	615,277.56
09/01/2033	915,936.00	-	915,936.00	597,225.02
	15,596,895.00	10,717,758.07	4,879,136.93	2,324,150.69

Savings Summary

Dated Date	10/04/2016
Delivery Date	10/04/2016
PV of savings from cash flow	2,324,150.69
Less: Prior funds on hand	-919,932.00
Plus: Refunding funds on hand	784,667.26
Net PV Savings	2,188,885.95

SUMMARY OF BONDS REFUNDED

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2003B COPs (Taxable)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
2003B COPs:					
Term Bond	09/01/2017	4.520%	390,000.00	11/03/2016	100.000
Term Bond #2	09/01/2023	5.180%	2,765,000.00	11/03/2016	100.000
Term Bond #3	09/01/2033	5.280%	6,990,000.00	11/03/2016	100.000
			10,145,000.00		

PRIOR BOND DEBT SERVICE

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2003B COPs (Taxable)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Dated Date 10/04/2016
Delivery Date 10/04/2016

2003B COPs

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/04/2016	-	-	-	-	-
03/01/2017	-	-	264,963.50	264,963.50	-
09/01/2017	390,000	4.520%	264,963.50	654,963.50	919,927
03/01/2018	-	-	256,149.50	256,149.50	-
09/01/2018	405,000	5.180%	256,149.50	661,149.50	917,299
03/01/2019	-	-	245,660.00	245,660.00	-
09/01/2019	425,000	5.180%	245,660.00	670,660.00	916,320
03/01/2020	-	-	234,652.50	234,652.50	-
09/01/2020	450,000	5.180%	234,652.50	684,652.50	919,305
03/01/2021	-	-	222,997.50	222,997.50	-
09/01/2021	470,000	5.180%	222,997.50	692,997.50	915,995
03/01/2022	-	-	210,824.50	210,824.50	-
09/01/2022	495,000	5.180%	210,824.50	705,824.50	916,649
03/01/2023	-	-	198,004.00	198,004.00	-
09/01/2023	520,000	5.180%	198,004.00	718,004.00	916,008
03/01/2024	-	-	184,536.00	184,536.00	-
09/01/2024	550,000	5.280%	184,536.00	734,536.00	919,072
03/01/2025	-	-	170,016.00	170,016.00	-
09/01/2025	575,000	5.280%	170,016.00	745,016.00	915,032
03/01/2026	-	-	154,836.00	154,836.00	-
09/01/2026	610,000	5.280%	154,836.00	764,836.00	919,672
03/01/2027	-	-	138,732.00	138,732.00	-
09/01/2027	640,000	5.280%	138,732.00	778,732.00	917,464
03/01/2028	-	-	121,836.00	121,836.00	-
09/01/2028	675,000	5.280%	121,836.00	796,836.00	918,672
03/01/2029	-	-	104,016.00	104,016.00	-
09/01/2029	710,000	5.280%	104,016.00	814,016.00	918,032
03/01/2030	-	-	85,272.00	85,272.00	-
09/01/2030	745,000	5.280%	85,272.00	830,272.00	915,544
03/01/2031	-	-	65,604.00	65,604.00	-
09/01/2031	785,000	5.280%	65,604.00	850,604.00	916,208
03/01/2032	-	-	44,880.00	44,880.00	-
09/01/2032	830,000	5.280%	44,880.00	874,880.00	919,760
03/01/2033	-	-	22,968.00	22,968.00	-
09/01/2033	870,000	5.280%	22,968.00	892,968.00	915,936
	10,145,000		5,451,895.00	15,596,895.00	15,596,895

SOURCES AND USES OF FUNDS

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2004 Bonds (Tax-Exempt)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)
Refunding Savings Based on Pledge Agreement

Dated Date 10/04/2016
Delivery Date 10/04/2016

Sources:

Bond Proceeds:	
Par Amount	37,155,000.00
Premium	5,579,421.90
	<u>42,734,421.90</u>
Other Sources of Funds:	
Prior Debt Service Reserve Fund	3,596,582.00
	<u>46,331,003.90</u>

Uses:

Refunding Escrow Deposits:	
Cash Deposit	0.75
SLGS Purchases	42,956,966.00
	<u>42,956,966.75</u>
Other Fund Deposits:	
Debt Service Reserve Fund	2,842,306.54
Delivery Date Expenses:	
Cost of Issuance	155,891.60
Underwriter's Discount	371,124.75
	<u>527,016.35</u>
Other Uses of Funds:	
Contingency	4,714.26
	<u>46,331,003.90</u>

SUMMARY OF REFUNDING RESULTS

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2004 Bonds (Tax-Exempt)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)
Refunding Savings Based on Pledge Agreement

Dated Date	10/04/2016
Delivery Date	10/04/2016
Arbitrage yield	3.250362%
Escrow yield	0.183727%
Value of Negative Arbitrage	105,088.49
Bond Par Amount	37,155,000.00
True Interest Cost	3.743656%
Effective Interest Cost	3.661758%
Net Interest Cost	4.047450%
All-In TIC	3.778331%
Average Coupon	5.000000%
Average Life	14.716
Par amount of refunded bonds	42,615,000.00
Average coupon of refunded bonds	4.902946%
Average life of refunded bonds	12.996
PV of prior debt to 10/04/2016 @ 3.206732%	50,148,045.21
Net PV Savings	3,168,438.77
Percentage savings of refunded bonds	7.435032%
Percentage savings of refunding bonds	8.527624%

SAVINGS

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2004 Bonds (Tax-Exempt)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)
Refunding Savings Based on Pledge Agreement

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 10/04/2016 @ 3.2067317%
09/01/2017	2,703,523.65	1,687,456.25	1,016,067.40	975,310.10
09/01/2018	2,762,164.13	1,857,750.00	904,414.13	837,124.87
09/01/2019	2,789,110.81	1,857,750.00	931,360.81	835,477.97
09/01/2020	2,901,782.49	1,857,750.00	1,044,032.49	908,815.77
09/01/2021	2,975,126.93	1,857,750.00	1,117,376.93	943,099.89
09/01/2022	3,046,835.85	1,857,750.00	1,189,085.85	972,990.67
09/01/2023	3,113,133.32	1,857,750.00	1,255,383.32	995,741.11
09/01/2024	3,185,079.49	1,857,750.00	1,327,329.49	1,020,505.08
09/01/2025	3,255,771.74	4,837,750.00	-1,581,978.26	-1,202,792.60
09/01/2026	3,368,434.55	1,708,750.00	1,659,684.55	1,200,965.86
09/01/2027	3,444,630.00	1,708,750.00	1,735,880.00	1,217,214.85
09/01/2028	3,519,247.35	6,928,750.00	-3,409,502.65	-2,343,714.19
09/01/2029	3,627,234.10	6,927,750.00	-3,300,515.90	-2,196,657.60
09/01/2030	3,735,787.50	1,173,750.00	2,562,037.50	1,639,937.52
09/01/2031	3,811,362.85	7,218,750.00	-3,407,387.15	-2,126,389.36
09/01/2032	3,891,702.35	7,216,500.00	-3,324,797.65	-2,008,557.71
09/01/2033	3,976,028.20	7,219,250.00	-3,243,221.80	-1,896,542.10
09/01/2034	4,058,599.95	221,000.00	3,837,599.95	2,169,872.45
09/01/2035	4,143,968.70	4,641,000.00	-497,031.30	-273,330.40
09/01/2036	4,236,750.00	-	4,236,750.00	2,248,927.79
	68,546,273.96	64,493,706.25	4,052,567.71	3,917,999.97

Savings Summary

Dated Date	10/04/2016
Delivery Date	10/04/2016
PV of savings from cash flow	3,917,999.97
Less: Prior funds on hand	-3,596,582.00
Plus: Refunding funds on hand	2,847,020.80
Net PV Savings	3,168,438.77

SUMMARY OF BONDS REFUNDED

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2004 Bonds (Tax-Exempt)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)
Refunding Savings Based on Pledge Agreement

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Revenue Bonds, Series 2004:					
Serial Bond	09/01/2017	3.600%	830,000.00	11/03/2016	100.000
	09/01/2018	3.700%	920,000.00	11/03/2016	100.000
	09/01/2019	3.800%	1,015,000.00	11/03/2016	100.000
	09/01/2020	4.000%	1,115,000.00	11/03/2016	100.000
	09/01/2021	4.000%	1,220,000.00	11/03/2016	100.000
	09/01/2022	4.125%	1,335,000.00	11/03/2016	100.000
	09/01/2023	4.125%	1,455,000.00	11/03/2016	100.000
	09/01/2024	4.250%	1,580,000.00	11/03/2016	100.000
	09/01/2025	4.250%	1,715,000.00	11/03/2016	100.000
Term Bond	09/01/2028	5.000%	6,100,000.00	11/03/2016	100.000
Term Bond #2	09/01/2036	5.000%	25,330,000.00	11/03/2016	100.000
			42,615,000.00		

PRIOR BOND DEBT SERVICE

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2004 Bonds (Tax-Exempt)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)
Refunding Savings Based on Pledge Agreement

Dated Date 10/04/2016
Delivery Date 10/04/2016

Revenue Bonds, Series 2004

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/04/2016	-	-	-	-	-
03/01/2017	-	-	1,011,257.50	1,011,257.50	-
09/01/2017	830,000	3.600%	1,011,257.50	1,841,257.50	2,852,515.00
03/01/2018	-	-	996,317.50	996,317.50	-
09/01/2018	920,000	3.700%	996,317.50	1,916,317.50	2,912,635.00
03/01/2019	-	-	979,297.50	979,297.50	-
09/01/2019	1,015,000	3.800%	979,297.50	1,994,297.50	2,973,595.00
03/01/2020	-	-	960,012.50	960,012.50	-
09/01/2020	1,115,000	4.000%	960,012.50	2,075,012.50	3,035,025.00
03/01/2021	-	-	937,712.50	937,712.50	-
09/01/2021	1,220,000	4.000%	937,712.50	2,157,712.50	3,095,425.00
03/01/2022	-	-	913,312.50	913,312.50	-
09/01/2022	1,335,000	4.125%	913,312.50	2,248,312.50	3,161,625.00
03/01/2023	-	-	885,778.13	885,778.13	-
09/01/2023	1,455,000	4.125%	885,778.13	2,340,778.13	3,226,556.26
03/01/2024	-	-	855,768.75	855,768.75	-
09/01/2024	1,580,000	4.250%	855,768.75	2,435,768.75	3,291,537.50
03/01/2025	-	-	822,193.75	822,193.75	-
09/01/2025	1,715,000	4.250%	822,193.75	2,537,193.75	3,359,387.50
03/01/2026	-	-	785,750.00	785,750.00	-
09/01/2026	1,865,000	5.000%	785,750.00	2,650,750.00	3,436,500.00
03/01/2027	-	-	739,125.00	739,125.00	-
09/01/2027	2,030,000	5.000%	739,125.00	2,769,125.00	3,508,250.00
03/01/2028	-	-	688,375.00	688,375.00	-
09/01/2028	2,205,000	5.000%	688,375.00	2,893,375.00	3,581,750.00
03/01/2029	-	-	633,250.00	633,250.00	-
09/01/2029	2,395,000	5.000%	633,250.00	3,028,250.00	3,661,500.00
03/01/2030	-	-	573,375.00	573,375.00	-
09/01/2030	2,590,000	5.000%	573,375.00	3,163,375.00	3,736,750.00
03/01/2031	-	-	508,625.00	508,625.00	-
09/01/2031	2,795,000	5.000%	508,625.00	3,303,625.00	3,812,250.00
03/01/2032	-	-	438,750.00	438,750.00	-
09/01/2032	3,015,000	5.000%	438,750.00	3,453,750.00	3,892,500.00
03/01/2033	-	-	363,375.00	363,375.00	-
09/01/2033	3,250,000	5.000%	363,375.00	3,613,375.00	3,976,750.00
03/01/2034	-	-	282,125.00	282,125.00	-
09/01/2034	3,495,000	5.000%	282,125.00	3,777,125.00	4,059,250.00
03/01/2035	-	-	194,750.00	194,750.00	-
09/01/2035	3,755,000	5.000%	194,750.00	3,949,750.00	4,144,500.00
03/01/2036	-	-	100,875.00	100,875.00	-
09/01/2036	4,035,000	5.000%	100,875.00	4,135,875.00	4,236,750.00
	42,615,000		27,340,051.26	69,955,051.26	69,955,051.26

SOURCES AND USES OF FUNDS

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2006A TABs (Tax-Exempt)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Dated Date	10/04/2016
Delivery Date	10/04/2016

Sources:

Bond Proceeds:	
Par Amount	41,185,000.00
Premium	5,874,741.55
	<u>47,059,741.55</u>
Other Sources of Funds:	
Prior Debt Service Reserve Fund	4,866,326.00
	<u>51,926,067.55</u>

Uses:

Refunding Escrow Deposits:	
Cash Deposit	0.39
SLGS Purchases	48,192,658.00
	<u>48,192,658.39</u>
Other Fund Deposits:	
Debt Service Reserve Fund	3,150,596.01
Delivery Date Expenses:	
Cost of Issuance	172,800.30
Underwriter's Discount	411,378.62
	<u>584,178.92</u>
Other Uses of Funds:	
Contingency	-1,365.77
	<u>51,926,067.55</u>

SUMMARY OF REFUNDING RESULTS

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2006A TABs (Tax-Exempt)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Dated Date	10/04/2016
Delivery Date	10/04/2016
Arbitrage yield	3.250362%
Escrow yield	0.183727%
Value of Negative Arbitrage	117,896.93
Bond Par Amount	41,185,000.00
True Interest Cost	3.893227%
Effective Interest Cost	3.816916%
Net Interest Cost	4.201840%
All-In TIC	3.925548%
Average Coupon	5.000000%
Average Life	16.620
Par amount of refunded bonds	47,775,000.00
Average coupon of refunded bonds	5.214332%
Average life of refunded bonds	12.000
PV of prior debt to 10/04/2016 @ 3.300769%	56,591,765.35
Net PV Savings	4,902,478.76
Percentage savings of refunded bonds	10.261599%
Percentage savings of refunding bonds	11.903554%

SAVINGS

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2006A TABs (Tax-Exempt)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 10/04/2016 @ 3.3007690%
09/01/2017	4,751,512.50	1,870,485.42	2,881,027.08	2,802,900.83
09/01/2018	4,102,262.50	2,059,250.00	2,043,012.50	1,921,551.06
09/01/2019	4,779,762.50	2,059,250.00	2,720,512.50	2,474,973.38
09/01/2020	4,779,012.50	2,059,250.00	2,719,762.50	2,393,686.03
09/01/2021	2,007,012.50	2,059,250.00	-52,237.50	-44,850.21
09/01/2022	2,857,012.50	2,059,250.00	797,762.50	657,103.68
09/01/2023	3,344,512.50	2,059,250.00	1,285,262.50	1,024,482.53
09/01/2024	4,470,512.50	2,059,250.00	2,411,262.50	1,860,201.44
09/01/2025	4,441,762.50	2,059,250.00	2,382,512.50	1,778,016.82
09/01/2026	3,698,012.50	6,794,250.00	-3,096,237.50	-2,241,042.77
09/01/2027	3,684,600.00	6,792,500.00	-3,107,900.00	-2,176,282.00
09/01/2028	3,691,200.00	1,574,000.00	2,117,200.00	1,432,758.30
09/01/2029	3,686,500.00	1,574,000.00	2,112,500.00	1,382,884.33
09/01/2030	3,570,762.50	7,329,000.00	-3,758,237.50	-2,385,744.52
09/01/2031	3,564,500.00	1,286,250.00	2,278,250.00	1,397,158.28
09/01/2032	3,666,937.50	1,286,250.00	2,380,687.50	1,412,360.35
09/01/2033	3,667,037.50	1,286,250.00	2,380,787.50	1,366,240.87
09/01/2034	3,669,525.00	8,281,250.00	-4,611,725.00	-2,569,019.27
09/01/2035	3,153,875.00	3,861,500.00	-707,625.00	-383,200.52
09/01/2036	3,151,862.50	8,500,250.00	-5,348,387.50	-2,789,259.61
09/01/2037	3,157,500.00	8,499,750.00	-5,342,250.00	-2,695,344.50
	77,895,675.00	75,409,735.42	2,485,939.58	6,619,574.52

Savings Summary

Dated Date	10/04/2016
Delivery Date	10/04/2016
PV of savings from cash flow	6,619,574.52
Less: Prior funds on hand	-4,866,326.00
Plus: Refunding funds on hand	3,149,230.24
Net PV Savings	4,902,478.76

SUMMARY OF BONDS REFUNDED

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2006A TABs (Tax-Exempt)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
2006 Tax-Exempt TAB, Series A:					
Tax-Exempt Serial Bond	09/01/2017	5.000%	2,285,000.00	11/03/2016	100.000
	09/01/2018	5.000%	1,750,000.00	11/03/2016	100.000
	09/01/2019	5.000%	2,515,000.00	11/03/2016	100.000
	09/01/2020	5.000%	2,640,000.00	11/03/2016	100.000
	09/01/2022	5.000%	850,000.00	11/03/2016	100.000
	09/01/2023	5.000%	1,380,000.00	11/03/2016	100.000
	09/01/2024	5.000%	2,575,000.00	11/03/2016	100.000
	09/01/2025	5.000%	2,675,000.00	11/03/2016	100.000
2031 Tax-Exempt Term Bond	09/01/2031	5.250%	13,830,000.00	11/03/2016	100.000
2034 Tax-Exempt Term Bond	09/01/2034	5.250%	8,725,000.00	11/03/2016	100.000
2037 Tax-Exempt Term Bond	09/01/2037	5.250%	8,550,000.00	11/03/2016	100.000
			47,775,000.00		

PRIOR BOND DEBT SERVICE

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2006A TABs (Tax-Exempt)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Dated Date 10/04/2016
Delivery Date 10/04/2016

2006 Tax-Exempt TAB, Series A

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/04/2016	-	-	-	-	-
03/01/2017	-	-	1,233,256.25	1,233,256.25	-
09/01/2017	2,285,000	5.000%	1,233,256.25	3,518,256.25	4,751,512.50
03/01/2018	-	-	1,176,131.25	1,176,131.25	-
09/01/2018	1,750,000	5.000%	1,176,131.25	2,926,131.25	4,102,262.50
03/01/2019	-	-	1,132,381.25	1,132,381.25	-
09/01/2019	2,515,000	5.000%	1,132,381.25	3,647,381.25	4,779,762.50
03/01/2020	-	-	1,069,506.25	1,069,506.25	-
09/01/2020	2,640,000	5.000%	1,069,506.25	3,709,506.25	4,779,012.50
03/01/2021	-	-	1,003,506.25	1,003,506.25	-
09/01/2021	-	-	1,003,506.25	1,003,506.25	2,007,012.50
03/01/2022	-	-	1,003,506.25	1,003,506.25	-
09/01/2022	850,000	5.000%	1,003,506.25	1,853,506.25	2,857,012.50
03/01/2023	-	-	982,256.25	982,256.25	-
09/01/2023	1,380,000	5.000%	982,256.25	2,362,256.25	3,344,512.50
03/01/2024	-	-	947,756.25	947,756.25	-
09/01/2024	2,575,000	5.000%	947,756.25	3,522,756.25	4,470,512.50
03/01/2025	-	-	883,381.25	883,381.25	-
09/01/2025	2,675,000	5.000%	883,381.25	3,558,381.25	4,441,762.50
03/01/2026	-	-	816,506.25	816,506.25	-
09/01/2026	2,065,000	5.250%	816,506.25	2,881,506.25	3,698,012.50
03/01/2027	-	-	762,300.00	762,300.00	-
09/01/2027	2,160,000	5.250%	762,300.00	2,922,300.00	3,684,600.00
03/01/2028	-	-	705,600.00	705,600.00	-
09/01/2028	2,280,000	5.250%	705,600.00	2,985,600.00	3,691,200.00
03/01/2029	-	-	645,750.00	645,750.00	-
09/01/2029	2,395,000	5.250%	645,750.00	3,040,750.00	3,686,500.00
03/01/2030	-	-	582,881.25	582,881.25	-
09/01/2030	2,405,000	5.250%	582,881.25	2,987,881.25	3,570,762.50
03/01/2031	-	-	519,750.00	519,750.00	-
09/01/2031	2,525,000	5.250%	519,750.00	3,044,750.00	3,564,500.00
03/01/2032	-	-	453,468.75	453,468.75	-
09/01/2032	2,760,000	5.250%	453,468.75	3,213,468.75	3,666,937.50
03/01/2033	-	-	381,018.75	381,018.75	-
09/01/2033	2,905,000	5.250%	381,018.75	3,286,018.75	3,667,037.50
03/01/2034	-	-	304,762.50	304,762.50	-
09/01/2034	3,060,000	5.250%	304,762.50	3,364,762.50	3,669,525.00
03/01/2035	-	-	224,437.50	224,437.50	-
09/01/2035	2,705,000	5.250%	224,437.50	2,929,437.50	3,153,875.00
03/01/2036	-	-	153,431.25	153,431.25	-
09/01/2036	2,845,000	5.250%	153,431.25	2,998,431.25	3,151,862.50
03/01/2037	-	-	78,750.00	78,750.00	-
09/01/2037	3,000,000	5.250%	78,750.00	3,078,750.00	3,157,500.00
	47,775,000		30,120,675.00	77,895,675.00	77,895,675.00

SOURCES AND USES OF FUNDS

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2006C TABs (Taxable)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Dated Date	10/04/2016
Delivery Date	10/04/2016

Sources:

Bond Proceeds:	
Par Amount	21,800,000.00
Other Sources of Funds:	
Prior Debt Service Reserve Fund	2,126,660.00
	<u>23,926,660.00</u>

Uses:

Refunding Escrow Deposits:	
Cash Deposit	1.02
SLGS Purchases	<u>21,938,323.00</u>
	21,938,324.02
Other Fund Deposits:	
Debt Service Reserve Fund	1,667,670.10
Delivery Date Expenses:	
Cost of Issuance	91,466.47
Underwriter's Discount	<u>228,650.46</u>
	320,116.93
Other Uses of Funds:	
Contingency	548.95
	<u>23,926,660.00</u>

SUMMARY OF REFUNDING RESULTS

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2006C TABs (Taxable)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Dated Date	10/04/2016
Delivery Date	10/04/2016
Arbitrage yield	3.829219%
Escrow yield	0.183727%
Value of Negative Arbitrage	63,694.27
Bond Par Amount	21,800,000.00
True Interest Cost	4.030268%
Effective Interest Cost	3.829219%
Net Interest Cost	4.016240%
All-In TIC	4.111428%
Average Coupon	3.839924%
Average Life	5.949
Par amount of refunded bonds	21,685,000.00
Average coupon of refunded bonds	6.870000%
Average life of refunded bonds	12.668
PV of prior debt to 10/04/2016 @ 3.829219%	28,102,748.76
Net PV Savings	5,844,307.81
Percentage savings of refunded bonds	26.950924%
Percentage savings of refunding bonds	26.808751%

SAVINGS

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2006C TABs (Taxable)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 10/04/2016 @ 3.8292192%
09/01/2017	2,124,759.50	737,404.98	1,387,354.52	1,348,016.31
09/01/2018	2,126,135.00	811,822.00	1,314,313.00	1,228,188.19
09/01/2019	2,094,419.00	1,731,822.00	362,597.00	329,762.44
09/01/2020	2,091,672.50	4,545,970.00	-2,454,297.50	-2,111,476.79
09/01/2021	2,090,834.50	4,547,530.00	-2,456,695.50	-2,034,341.28
09/01/2022	2,091,561.50	4,543,670.00	-2,452,108.50	-1,954,348.32
09/01/2023	2,048,510.00	4,542,894.00	-2,494,384.00	-1,913,454.99
09/01/2024	1,919,428.00	4,546,078.00	-2,626,650.00	-1,939,460.84
09/01/2025	1,880,155.00	772,486.00	1,107,669.00	797,186.66
09/01/2026	1,879,851.50	-	1,879,851.50	1,297,640.35
09/01/2027	1,880,769.50	-	1,880,769.50	1,249,575.32
09/01/2028	1,882,565.50	-	1,882,565.50	1,203,824.36
09/01/2029	1,879,896.00	-	1,879,896.00	1,156,985.10
09/01/2030	1,837,761.00	-	1,837,761.00	1,088,652.99
09/01/2031	1,838,565.00	-	1,838,565.00	1,048,186.68
09/01/2032	1,839,216.50	-	1,839,216.50	1,009,114.16
09/01/2033	1,834,372.00	-	1,834,372.00	968,576.28
09/01/2034	1,839,031.50	-	1,839,031.50	934,449.83
09/01/2035	1,837,164.50	-	1,837,164.50	898,305.75
09/01/2036	1,838,771.00	-	1,838,771.00	865,160.73
09/01/2037	1,838,164.00	-	1,838,164.00	832,205.82
	40,693,603.00	26,779,676.98	13,913,926.02	6,302,748.76

Savings Summary

Dated Date	10/04/2016
Delivery Date	10/04/2016
PV of savings from cash flow	6,302,748.76
Less: Prior funds on hand	-2,126,660.00
Plus: Refunding funds on hand	1,668,219.05
Net PV Savings	5,844,307.81

SUMMARY OF BONDS REFUNDED

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2006C TABs (Taxable)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
2006 Revenue Bonds, Series C (Housing Projects):					
2037 Taxable Term Bond	09/01/2037	6.870%	21,685,000.00	11/03/2016	100.000
			21,685,000.00		

PRIOR BOND DEBT SERVICE

Successor Agency to the Stockton Redevelopment Agency
2016 Refunding of 2006C TABs (Taxable)

Assumes BBB+ Rated Uninsured Tax Allocation Bonds

Sized for Aggregate Level Debt Service (as of May 6, 2016)

Dated Date 10/04/2016
Delivery Date 10/04/2016

2006 Revenue Bonds, Series C (Housing Projects)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/04/2016	-	-	-	-	-
03/01/2017	-	-	744,879.75	744,879.75	-
09/01/2017	635,000	6.870%	744,879.75	1,379,879.75	2,124,759.50
03/01/2018	-	-	723,067.50	723,067.50	-
09/01/2018	680,000	6.870%	723,067.50	1,403,067.50	2,126,135.00
03/01/2019	-	-	699,709.50	699,709.50	-
09/01/2019	695,000	6.870%	699,709.50	1,394,709.50	2,094,419.00
03/01/2020	-	-	675,836.25	675,836.25	-
09/01/2020	740,000	6.870%	675,836.25	1,415,836.25	2,091,672.50
03/01/2021	-	-	650,417.25	650,417.25	-
09/01/2021	790,000	6.870%	650,417.25	1,440,417.25	2,090,834.50
03/01/2022	-	-	623,280.75	623,280.75	-
09/01/2022	845,000	6.870%	623,280.75	1,468,280.75	2,091,561.50
03/01/2023	-	-	594,255.00	594,255.00	-
09/01/2023	860,000	6.870%	594,255.00	1,454,255.00	2,048,510.00
03/01/2024	-	-	564,714.00	564,714.00	-
09/01/2024	790,000	6.870%	564,714.00	1,354,714.00	1,919,428.00
03/01/2025	-	-	537,577.50	537,577.50	-
09/01/2025	805,000	6.870%	537,577.50	1,342,577.50	1,880,155.00
03/01/2026	-	-	509,925.75	509,925.75	-
09/01/2026	860,000	6.870%	509,925.75	1,369,925.75	1,879,851.50
03/01/2027	-	-	480,384.75	480,384.75	-
09/01/2027	920,000	6.870%	480,384.75	1,400,384.75	1,880,769.50
03/01/2028	-	-	448,782.75	448,782.75	-
09/01/2028	985,000	6.870%	448,782.75	1,433,782.75	1,882,565.50
03/01/2029	-	-	414,948.00	414,948.00	-
09/01/2029	1,050,000	6.870%	414,948.00	1,464,948.00	1,879,896.00
03/01/2030	-	-	378,880.50	378,880.50	-
09/01/2030	1,080,000	6.870%	378,880.50	1,458,880.50	1,837,761.00
03/01/2031	-	-	341,782.50	341,782.50	-
09/01/2031	1,155,000	6.870%	341,782.50	1,496,782.50	1,838,565.00
03/01/2032	-	-	302,108.25	302,108.25	-
09/01/2032	1,235,000	6.870%	302,108.25	1,537,108.25	1,839,216.50
03/01/2033	-	-	259,686.00	259,686.00	-
09/01/2033	1,315,000	6.870%	259,686.00	1,574,686.00	1,834,372.00
03/01/2034	-	-	214,515.75	214,515.75	-
09/01/2034	1,410,000	6.870%	214,515.75	1,624,515.75	1,839,031.50
03/01/2035	-	-	166,082.25	166,082.25	-
09/01/2035	1,505,000	6.870%	166,082.25	1,671,082.25	1,837,164.50
03/01/2036	-	-	114,385.50	114,385.50	-
09/01/2036	1,610,000	6.870%	114,385.50	1,724,385.50	1,838,771.00
03/01/2037	-	-	59,082.00	59,082.00	-
09/01/2037	1,720,000	6.870%	59,082.00	1,779,082.00	1,838,164.00
	21,685,000		19,008,603.00	40,693,603.00	40,693,603.00

RESOLUTION NO. _____

STOCKTON SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION APPROVING THE SUCCESSOR AGENCY'S AUTHORIZATION OF THE REFUNDING OF CERTAIN OUTSTANDING OBLIGATIONS OF THE SUCCESSOR AGENCY PURSUANT TO ASSEMBLY BILLS X1 26 AND 1484 AND THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST, BOND PURCHASE CONTRACT, ESCROW AGREEMENT, REFUNDING AGREEMENTS AND RELATED DOCUMENTS; AND APPROVING AND AUTHORIZING CERTAIN RELATED ACTIONS

WHEREAS, pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California and referred to herein as the "Law") as then enacted, the City Council (the "City Council") of the City of Stockton (the "City") created the former Redevelopment Agency of the City of Stockton (the "Former RDA"); and

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

WHEREAS, California Assembly Bill No. 26 (First Extraordinary Session) ("ABX1 26") adopted on June 29, 2011, dissolved all redevelopment agencies and community development agencies in existence in the State of California, as of February 1, 2012, and designated "successor agencies" and "oversight boards" to satisfy "enforceable obligations" of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies; and

WHEREAS, Assembly Bill No. 1484 ("AB 1484"), a follow on bill to ABX1 26, was enacted on June 27, 2012 and provides a mechanism to refund outstanding indebtedness of the Former RDA under certain circumstances, and to renegotiate contracts, agreements and other arrangements of the Former RDA to reduce liabilities and increase net revenues to certain taxing entities identified in Health and Safety Code Section 34171(k) (collectively, the "Taxing Entities"); and

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the City agreed to serve as the successor agency (the "Successor Agency") to the Former RDA; and

WHEREAS, Health and Safety Code Section 34179(a) provides that each successor agency shall have an oversight board composed of seven members; and

WHEREAS, the Oversight Board for the Successor Agency (the "Oversight Board") was established pursuant to Health and Safety Code Section 34179(a); and

WHEREAS, the Oversight Board is informed by the Successor Agency that Wells Fargo Bank, National Association, as trustee (the "2003 COPs Trustee") under that certain Trust Agreement, dated as of June 1, 2003 (the "2003 Trust Agreement"), among the 2003 COPs

Trustee, the Stockton Public Financing Authority (the “Financing Authority”) and the City, executed and delivered \$1,160,000 principal amount of City of Stockton Certificates of Participation (Redevelopment Housing Projects) Series 2003A (the “2003A COPs”) and \$12,140,000 principal amount of City of Stockton Certificates of Participation (Redevelopment Housing Projects) Taxable Series 2003B (the “2003B COPs” and, together with the 2003A COPs, the “2003 COPs”) under the 2003 Trust Agreement; and

WHEREAS, the Oversight Board is informed by the Successor Agency that the Former RDA issued and sold \$47,000,000 aggregate principal amount of Redevelopment Agency of the City of Stockton Revenue Bonds, Series 2004 (Stockton Events Center—Arena Project) (the “2004 Arena Bonds”), pursuant to an Indenture of Trust, dated as of March 1, 2004, by and between the Former RDA and Wells Fargo Bank, National Association, as trustee (the “2004 Arena Trustee”); and

WHEREAS, the Oversight Board is informed by the Successor Agency that the Financing Authority issued and sold \$75,755,000 aggregate principal amount of Stockton Public Financing Authority Revenue Bonds (Redevelopment Projects), 2006 Series A (the “2006A Bonds”), pursuant to an Indenture of Trust, dated as of July 1, 2006, between the Financing Authority and Wells Fargo Bank, National Association, as trustee; and

WHEREAS, the Oversight Board is informed by the Successor Agency that the Financing Authority issued and sold \$25,985,000 aggregate principal amount of Stockton Public Financing Authority Taxable Revenue Bonds (Housing Projects), 2006 Series C (the “2006C Bonds”), pursuant to the terms of an Indenture of Trust, dated as of July 1, 2006, between the Financing Authority and Wells Fargo Bank, National Association, as trustee; and

WHEREAS, the Oversight Board is informed by the Successor Agency that the City was previously a debtor in a bankruptcy case under chapter 9 of Title 11 of the United States Code, Case No. 2012-32118 in the United States Bankruptcy Court for the Eastern District of California, Sacramento Division, styled *In re City of Stockton, California* (the “Bankruptcy Case”); and

WHEREAS, the Oversight Board is informed by the Successor Agency that in connection with the effectiveness of the City’s Plan for the Adjustment of Debts of City of Stockton, California, as filed in connection with the Bankruptcy Case and subsequently amended (collectively, the “Plan”), the Successor Agency entered into two settlement agreements (collectively, the “Arena Settlement Agreements”): (i) that certain Forbearance Agreement, dated as of February 25, 2015, by and among the City, the Successor Agency, National Public Finance Guarantee Corporation (“NPFPG”) and the 2004 Arena Trustee, and (ii) that certain Amended and Restated Pledge Agreement, dated as of February 25, 2015, by and between the City and the Successor Agency; and

WHEREAS, the Oversight Board is informed by the Successor Agency that in connection with the effectiveness of the Plan, the City entered into certain settlement agreements with creditors, including, among others, that certain Amended and Restated Stipulation and Settlement Agreement, dated as of July 1, 2014 (the “Ambac Settlement Agreement”), by and among the City, the Financing Authority, Ambac Assurance Corporation (“Ambac”) and the 2003 COPs Trustee; and

WHEREAS, all outstanding Former RDA and Successor Agency obligations incurred in connection with certain redevelopment activities of the Former RDA and the issuance of the 2003 COPs, the Ambac Settlement Agreement, the 2004 Arena Bonds, the Arena Settlement Agreements, the 2006A Bonds and the 2006C Bonds are collectively referred to herein as the “Refunded Obligations”; and

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

WHEREAS, Health and Safety Code Section 34181(e) authorizes the Successor Agency to determine whether any contracts, agreements, or other arrangements of the Former RDA should be terminated or renegotiated to reduce liabilities and increase net revenues to one or more Taxing Entities, and to present proposed termination or amendment agreements to the Oversight Board for its approval; and

WHEREAS, the Successor Agency has indicated that there are potential debt service savings that can be achieved through a refinancing of the Refunded Obligations, and the Oversight Board now wishes to approve and direct the refunding by the Successor Agency of all or a portion of the Refunded Obligations to achieve debt service savings through the issuance of not to exceed \$130,000,000 aggregate principal amount of Successor Agency to the Redevelopment Agency of the City of Stockton 2016 Tax Allocation Refunding Bonds, in one or more series, on a federally tax exempt or taxable basis (the “Refunding Bonds”); and

WHEREAS, the Successor Agency has informed the Oversight Board that it intends to (i) refund all or a portion of the Refunded Obligations, (ii) pay the costs of issuing the Refunding Bonds, (iii) fund a reserve account for the Refunding Bonds and (iv) if advisable, pay for the cost of municipal bond insurance and/or a surety to satisfy any applicable reserve account requirement relating to the Refunding Bonds in lieu of funding all or a portion of such reserve account requirement with cash (collectively, the “Refunding”); and

WHEREAS, the Oversight Board is informed by the Successor Agency that in order to effect the Refunding it may be necessary or desirable to enter into a refunding agreement, by and among the City, the Successor Agency, NPMG and the 2004 Arena Trustee, providing for the termination of the obligations of the City and the Successor Agency under the Arena Settlement Agreements and related bond documents (the “Arena Refunding Agreement”); and

WHEREAS, the Oversight Board is informed by the Successor Agency that in order to effect the Refunding it may be necessary or desirable to enter into a refunding agreement, by and among the City, the Successor Agency, the Financing Authority, Ambac and the 2003 COPs Trustee, providing for the termination of the obligations of the City and the Successor Agency under the Ambac Settlement Agreement and related bond documents (the “Ambac Refunding Agreement”); and

WHEREAS, the Successor Agency has presented at this meeting proposed forms of (i) an Indenture of Trust, between the Successor Agency and Wells Fargo Bank, National Association, or such other trust bank as may be designated and approved by the Executive Director of the Successor Agency or his or her designee (each an “Authorized Representative”), as trustee (the “Indenture”), (ii) a Bond Purchase Contract, between the Successor Agency and Stifel, Nicolaus & Company, Incorporated, or such other broker-dealer as may be designated and approved by an Authorized Representative, as underwriter (the “Bond Purchase Contract”), (iii) the Arena Refunding Agreement; (iv) the Ambac Refunding Agreement, and (v) an Escrow Agreement, between the Successor Agency and the Trustee, as escrow agent (the “Escrow Agreement”); and

WHEREAS, the Indenture, Bond Purchase Contract, Arena Refunding Agreement, the Ambac Refunding Agreement and the Escrow Agreement are collectively referred herein as the “Primary Bond Documents”; and

WHEREAS, the Successor Agency has approved all matters relating to the issuance and sale of the Refunding Bonds by resolution on June 28, 2016 (the “Successor Agency Resolution”); and

WHEREAS, the Oversight Board now desires to approve all matters relating to the Refunding and the issuance and sale of the Refunding Bonds as required by Sections 34177.5, 34180 and 34181 of the Health and Safety Code (collectively, the “Approval”); and

WHEREAS, all acts, conditions and things required by the Law and the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the Approval authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Oversight Board is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize such Approval;

NOW, THEREFORE, THE STOCKTON SUCCESSOR AGENCY OVERSIGHT BOARD DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Findings. The recitals set forth above are true and correct and incorporated herein by reference.

Section 2. Approval of Refunding. The Oversight Board hereby approves the Successor Agency’s authorization of the Refunding, including the Successor Agency Resolution. The Primary Bond Documents, in substantially the form presented at this meeting, with such changes therein as the Authorized Representative acting for and on behalf of the Successor Agency executing the same may approve, are hereby approved and the issuance of the Refunding Bonds for the purposes set forth herein and subject to the requirements of Section Health & Safety Code Section 34177.5 is hereby approved.

The Successor Agency has filed the debt service savings analysis in the form of a Refunding Plan and Savings Analysis (the “Refunding Plan and Savings Analysis”) prepared by an independent financial advisor, together with a certified copy of its Successor Agency Resolution, with the Oversight Board, and the Refunding Plan and Savings Analysis is hereby

approved as demonstrating the potential savings that may result from the refunding of the Refunded Obligations.

Section 3. Chairperson, Executive Director and Secretary of the Successor Agency. The Chairperson, Executive Director and Secretary of the Successor Agency, and the designees of such officials, each acting for the Oversight Board, are hereby authorized to take whatever actions may be necessary to carry out the purposes of this Resolution pursuant to ABX1 26 and AB 1484.

Section 4. City Clerk Acting for Oversight Board. The City Clerk acting for the Oversight Board shall certify to the passage of this Resolution and enter it into the book of original resolutions and take any other actions and/or perform any other duties required by law.

Section 5. Effective Date. Pursuant to Health and Safety Code Section 34179(h), all actions taken by the Oversight Board may be reviewed by the California Department of Finance and, therefore, this Resolution shall be effective five (5) business days after notice to the Department of Finance unless the Department of Finance requests a review of the actions taken in this Resolution, in which case this Resolution will be effective upon approval by the Department of Finance.

PASSED, APPROVED, AND ADOPTED June 29, 2016.

PAUL SENSIBAUGH, Chair
of the Stockton Successor Agency
Oversight Board

ATTEST:

BONNIE PAIGE, Secretary
of the Stockton Successor Agency
Oversight Board