ITEM NO. 5

STAFF REPORT

SUCCESSOR AGENCY
CITY OF OCEANSIDE

DATE: May 26, 2015

TO: The Oversight Board of the City of Oceanside Successor Agency

FROM: City Treasurer's Office

SUBJECT: **ADOPTION OF A RESOLUTION AUTHORIZING THE ISSUANCE OF TAX ALLOCATION REFUNDING BONDS**

SYNOPSIS

Adoption of a resolution authorizing the issuance and sale of Tax Allocation Refunding Bonds, approving the form of an indenture of trust, and authorizing certain other actions in connection therewith.

Staff is requesting authorization to issue bonds (the "2015 Refunding Bonds") for the purpose of refunding four existing tax allocation bonds: the 2002 and 2003 Subordinate Tax Allocation Bonds and the 2003 and 2004 Refunding Tax Allocation Bonds (the "Prior Bonds"). By refinancing the Prior Bonds at a lower interest rate, debt service payments will decline, providing savings for the Agency and increased residual distributions to the taxing entities, including the City. The anticipated net present value savings over the life of the bonds is estimated at $5.2 million or 13.6 percent of the refunded Bond amount. The Successor Agency approved the issuance of the Refunding Bonds on May 20, 2015. Oversight Board approval is now required in order to proceed with the potential refunding opportunity.

BACKGROUND

The Successor Agency to the City of Oceanside Redevelopment Agency (the "Agency") is responsible for winding down the affairs of the City's former Redevelopment Agency in accordance with the Dissolution Act, enacted by the State legislature. Among the provisions of the Dissolution Act is to permit successor agencies to issue refunding bonds of such agency if such bonds meet the following Savings Requirements:

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

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

As with the Prior Bonds, the 2015 Refunding Bonds are an obligation solely of the Successor Agency, and are paid from tax increment revenues generated from the Downtown Redevelopment Project (the "Project Area").

The Project Area was first established in 1975 and has been amended several times. It consists of approximately 375 acres in the downtown beach area of the City, generally bounded by Interstate 5 on the east, the Pacific Ocean on the west, the Oceanside Small Craft Harbor on the north, and Wisconsin Street on the south.

In 2014 the Project Area generated tax increment revenues of approximately $10.7 million (of which $9.6 million may be pledged to the 2015 Refunding Bonds). The annual revenues are used to pay remaining enforceable obligations due in such year, with remainder revenues paid to applicable taxing entities.

The former Redevelopment Agency issued Prior Bonds to fund infrastructure and capital projects benefiting the Project Area. Details of the Prior Bonds are as follows:

Series	2002	2003	2003	2004
Lien	Subordinate	Senior	Subordinate	Senior
Issuance Date	February 20, 2002	July 23, 2003	December 11, 2003	September 23, 2004
Original Par Amount	$22,030,000	$7,740,000	$17,800,000	$13,510,000
Remaining Par*	$13,895,000	$2,520,000	$12,120,000	$10,060,000
Final Maturity Date	September 1, 2025	September 1, 2018	September 1, 2025	September 1, 2024
Form of Reserve Fund	Cash	Surety (Parity w/2004)	Cash	Surety (Parity w/2003)
Avg Interest Rate of Remaining Bonds	5.69%	4.00%	5.62%	4.44%
Call Provision	Any date @ Par	Any date @ Par	Any date @ Par	Any date @ Par

** Excludes principal due on September 1, 2015.*

The Agency approved the issuance of the 2015 Refunding Bonds on May 20, 2015. The issuance of the 2015 Refunding Bonds is also required to be approved by the State Department of Finance, subsequent to the approval of this resolution by the Oversight Board.

ANALYSIS

Staff, with the assistance of the financing team (comprised of CSG Advisors Incorporated, financial advisor; Stifel, Nicolaus & Company, underwriter; Stradling, Yocca, Carlson & Rauth, bond counsel; and Keyser Marston Associates, Inc., fiscal consultant) have evaluated the refinancing of the Prior Bonds. The financing team

determined an optimal approach for structuring the bonds to provide savings to the taxing entities, including the City, with the following attributes:

- Pledge of tax increment revenues of the Project Area derived from the Redevelopment Property Tax Trust Fund (the "RPTTF") of the Agency as authorized under the Dissolution Act which also includes the Agency's former Low and Moderate Income Housing Funds;
- Bonds secured by a reserve fund surety policy and/or bond insurance if the savings derived from such policies exceed the costs;
- Maturities dates with respect to each series of bonds being refunded are not extended from their existing terms.

Based on the above assumptions and current interest rates, savings on the 2015 Refunding Bonds are estimated as follows*:

Series	2002 (Sub)	2003 (Sr)	2003 (Sub)	2004 (Sr)	Total
Par Amount 2015 Bonds	$9,790,000	$1,825,000	$9,905,000	$8,375,000	$29,895,000
True Interest Cost	2.20%	1.26%	2.88%	2.16%	2.38%
Avg Annual Savings	$464,000	$30,000	$357,000	$145,000	$960,000**
Savings in 2015 Dollars	$2,365,000	$90,000	$1,656,000	$1,152,000	$5,263,000
% Savings on Refunded Bonds	17.02%	3.57%	13.67%	11.45%	13.64%
City Share of Savings (2015 Dollars)	$591,000	$23,000	$414,000	$288,000	$1,316,000

** Preliminary, subject to market changes through the closing date.*
*** Avg annual savings in aggregate differs from series avg due to differing maturity dates.*

Maximum annual debt service on the 2015 Refunding Bonds is projected to be approximately $3.9 million, with projected debt service coverage of about 247 percent, assuming 2014 Project Area revenues. Approximately, $6.6 million in 2003 Bond proceeds remain unspent and are earmarked for the Lot 23 Parking Garage project. It is assumed that the 2003 Bonds will be refunded on a taxable basis due to Bond Counsel's analysis of that financing. Notwithstanding the foregoing, the refunding of the 2003 Bonds on a taxable basis still generates approximately 13.64 percent in savings.

As the Dissolution Act requires the Successor Agency engage a financial advisor in developing financing proposals and make available the financial advisor work product to the Department of Finance, CSG Advisors Inc. has prepared a debt service savings analysis (Attachment 3) which provides more detail regarding the 2015 Refunding Bonds and its compliance with the Dissolution Act provisions for the issuance of bonds.

The bonds will be sold on a public offering basis, underwritten by Stifel, Nicolaus & Company Incorporated. The sale of the bonds is currently expected to occur in August,

pending approval by the State Department of Finance. The Department of Finance has a 60-day review period, which generally commences after approval by the Agency Oversight Board.

FISCAL IMPACT

Debt service on the 2015 Refunding Bonds is paid from tax increment revenues of the Downtown Redevelopment Project.

The debt service savings in 2015 dollars is approximately $5.2 million. The average annual savings is $960,000 per year through 2025. The taxing entities of the Project Area will receive their proportionate share of this savings.

All costs related to the transaction are paid from proceeds of the 2015 Refunding Bonds, and have been factored into the estimated savings.

CITY ATTORNEY' ANALYSIS

The referenced documents have been reviewed by the City Attorney, acting as counsel to the Successor Agency, and approved as to form.

RECOMMENDATION

Adoption of a resolution authorizing the issuance and sale of Tax Allocation Refunding Bonds, approving the form of an indenture of trust, and authorizing certain other actions in connection therewith.

PREPARED BY:

Michele C. Lund
Treasury Manager

SUBMITTED BY:

Michelle Skaggs Lawrence
Interim City Manager

REVIEWED BY:

Jane McPherson, Interim Financial Services Director
Gary M. Ernst, City Treasurer

ATTACHMENTS

1. Resolution
2. Indenture of Trust
3. CSG Debt Service Savings Analysis

OVERSIGHT BOARD

RESOLUTION NO. _____

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE CITY OF OCEANSIDE REDEVELOPMENT AGENCY APPROVING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS BY THE SUCCESSOR AGENCY TO THE CITY OF OCEANSIDE REDEVELOPMENT AGENCY AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Community Development Commission of the City of Oceanside (the "Prior Agency") is a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California) and the Community Development Commission Law (Part 1.7 of Division 24 of the Health and Safety Code of the State of California) (collectively, the "Law"), and the powers of the Prior Agency included the power to issue bonds for any of its corporate purposes; and

WHEREAS, a Redevelopment Plan for a redevelopment project known and designated as the "Downtown Redevelopment Project Area" has been adopted and approved by Ordinance No. 75-35 of the City of Oceanside on November 19, 1975, as amended to date, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with; and

WHEREAS, the Prior Agency has previously issued $22,030,000 aggregate principal amount Community Development Commission of the City of Oceanside Downtown Redevelopment Project Subordinate 2002 Tax Allocation Bonds (the "2002 Bonds"); and

WHEREAS, the Prior Agency has previously issued $7,740,000 aggregate principal amount Community Development Commission of the City of Oceanside Downtown Redevelopment Project 2003 Refunding Tax Allocation Bonds (the "2003A Bonds"); and

WHEREAS, the Prior Agency has previously issued $17,800,000 aggregate principal amount Community Development Commission of the City of Oceanside Downtown Redevelopment Project Subordinate 2003 Tax Allocation Bonds (the "2003B Bonds"); and

WHEREAS, the Prior Agency has previously issued $13,510,000 aggregate principal amount Community Development Commission of the City of Oceanside Downtown Redevelopment Project 2004 Refunding Tax Allocation Bonds (the "2004 Bonds," and with the 2002 Bonds, the 2003A Bonds and the 2003B Bonds, the "Prior Obligations"); and

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

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

WHEREAS, the redevelopment component of the Prior Agency, including its redevelopment related powers, assets and obligations, was transferred on February 1, 2012 to the Successor Agency to the City of Oceanside Redevelopment Agency (the "Successor Agency"); and

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

WHEREAS, AB1484 specifically authorizes the issuance of refunding bonds by the Successor Agency to refund the redevelopment related bonds or other indebtedness of the Prior Agency to provide savings to the Successor Agency, provided that (A) the total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds shall not exceed the total remaining interest cost to maturity on the bonds to be refunded plus the remaining principal of the bonds to be refunded, and (B) the principal amount of the refunding bonds shall not exceed the amount required to defease the refunded bonds, to establish customary debt service reserves, and to pay related costs of issuance; and

WHEREAS, for the corporate purposes of the Successor Agency, the Successor Agency desires to issue at this time tax allocation refunding bonds in an aggregate principal amount sufficient

to refund all or part of the Prior Obligations (the "2015 Bonds"), and to irrevocably set aside a portion of the proceeds of such 2015 Bonds in a separate segregated trust fund which will be used to refund the outstanding Prior Obligations being refunded, to pay costs in connection with the issuance of the 2015 Bonds and to make certain other deposits as required by the Indenture (as defined in the Successor Agency Resolution); and

WHEREAS, the 2015 Bonds shall be secured by a pledge of property tax revenues authorized by California Health and Safety Code Section 34177.5(a) and (g), pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"); and

WHEREAS, this Oversight Board of the Successor Agency to the City of Oceanside Redevelopment Agency (the "Oversight Board") desires to approve all matters relating to the issuance and sale of the 2015 Bonds as required by Sections 34177.5 (f) and 34180 of the Health and Safety Code of the State of California.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE CITY OF OCEANSIDE REDEVELOPMENT AGENCY:

SECTION 1. Each of the foregoing recitals is true and correct.

SECTION 2. The issuance by the Successor Agency to the City of Oceanside Redevelopment Agency of the 2015 Bonds in an aggregate principal amount sufficient to refund all or a portion of the Prior Obligations for the purpose of achieving debt service savings in accordance with Health & Safety Code Section 34177.5(a)(1) and the pledge of property tax revenues to the 2015 Bonds pursuant to the Indenture approved by Section 2 of the Successor Agency Resolution (as authorized by California Health and Safety Code Section 34177.5(a) and (g)) is hereby approved. The 2015 Bonds may be issued as a single issue, or from time to time in separate series, as the Successor Agency shall determine. The approval of the issuance of the 2015 Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every separate series of 2015 Bonds and the sale of the 2015 Bonds at a public or private sale, without the need for any further approval from the Oversight Board.

SECTION 3. The Successor Agency is authorized and directed to prepare, approve and execute such other documents, including, as necessary, a Bond Purchase Contract, a private placement memorandum, an Official Statement, a Continuing Disclosure Certificate, Escrow Agreements for the Prior Obligations and any additional agreements as may be required to carryout the purposes hereof without the need for any further approval from the Oversight Board.

SECTION 4. The Chairman of the Oversight Board and the other officers and members of staff having responsibility for the affairs of the Successor Agency to the City of Oceanside Redevelopment Agency are hereby authorized to execute such documents and certificates necessary to assist the Successor Agency in the issuance of the 2015 Bonds.

SECTION 5. This Resolution shall take effect immediately upon its adoption.

PASSED and ADOPTED by the Oversight Board of the Successor Agency to the City of Oceanside Redevelopment Agency this 26th day of May, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
CHAIRPERSON

ATTEST:

_____
SECRETARY

ATTACHMENT 2

INDENTURE OF TRUST

Dated as of _____ 1, 2015

by and between the

SUCCESSOR AGENCY TO THE CITY OF OCEANSIDE REDEVELOPMENT AGENCY

and

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

Relating to

$_____
Successor Agency to the City of Oceanside Redevelopment Agency
Tax Allocation Refunding Bonds, Series 2015A

and

$_____
Successor Agency to the City of Oceanside Redevelopment Agency
Taxable Tax Allocation Refunding Bonds, Series 2015B

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture") is made and entered into and dated as of _____ 1, 2015, by and between the SUCCESSOR AGENCY TO THE CITY OF OCEANSIDE REDEVELOPMENT AGENCY, a public entity duly existing under the laws of the State of California (the "Successor Agency"), as successor to the redevelopment activities of the Community Development Commission of the City of Oceanside (the "Former Agency") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and existing under the laws of the United States of America, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, the Former Agency is a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of Parts 1 and 1.7 of Division 24 of the Health and Safety Code of the State (collectively, as amended, the "Law"), including the power to issue bonds and incur debt for any of its corporate purposes;

WHEREAS, a Redevelopment Plan for the Downtown Redevelopment Project Area (the "Project Area") of the Former Agency was adopted and subsequently amended, in compliance with all requirements of the Law, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with;

WHEREAS, in order to finance and refinance redevelopment activities within or of benefit to the Project Area, the Former Agency issued certain outstanding bonds more fully described herein (collectively, the "Refunded Bonds");

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

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

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

WHEREAS, in order to provide moneys to refund the Refunded Bonds (as defined herein) for the purpose of providing debt service savings in accordance with Section 34177.5(a)(1), the Successor Agency has determined to issue its Tax Allocation Refunding Bonds, Series 2015A (the "Series 2015A Bonds") and its Taxable Tax Allocation Refunding Bonds, Series 2015B (the "Taxable Series 2015B Bonds" and, together with the Series 2015A Bonds, the "2015 Bonds");

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

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

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

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

ARTICLE I

DETERMINATIONS; DEFINITIONS

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

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

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

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

"**Bond Year**" means each twelve (12) month period extending from September 2 in one calendar year to September 1 of the succeeding calendar year, both dates inclusive; provided that the first Bond Year with respect to the Bonds shall commence on the Closing Date and end on September 1, [2015].

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

"**City**" means the City of Oceanside.

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

"**Code**" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Series 2015A Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Series 2015A Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

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

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

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

"**County**" means the County of San Diego.

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

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

(a) Cash;

(b) Federal Securities, including direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities;

(c) The interest component of Resolution Funding Corporation strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form;

(d) Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P, provided that, if the issue is rated only by S&P (i.e., there is no Moody's rating), then the pre-refunded municipal bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals; and

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

"**Department of Finance**" means the Department of Finance of the State of California.

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

"**Depository System Participant**" means any participant in the Depository's book-entry system.

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

"**DTC**" means The Depository Trust Company, New York, New York, and its successors and assigns.

"**Escrow Agreements**" means, collectively, the 2002 Escrow Agreement, the 2003A Escrow Agreement, the 2003B Escrow Agreement and the 2004 Escrow Agreement.

"**Escrow Bank**" shall mean the Bank of New York Mellon Trust Company, N.A.

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

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

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

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

"**Former Agency**" means the Community Development Commission of the City of Oceanside.

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

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

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

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

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

"**Independent Redevelopment Consultant**" means any consultant or firm of such consultants appointed by the Successor Agency (who may be an underwriter of bonds of the Successor Agency or the City), and who, or each of whom:

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

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

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

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

"**Information Services**" means, in accordance with then current guidelines of the Securities and Exchange Commission, such services providing information with respect to the redemption of bonds as the Successor Agency may designate in a Written Request of the Successor Agency filed with the Trustee.

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

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

"**Interest Payment Date**" means each March 1 and September 1, commencing [March 1, 2016], for so long as any of the Bonds remain Outstanding hereunder.

"**Law**" means the Community Redevelopment Law of the State, constituting Part 1 of Division 24 of the Health and Safety Code of the State, and the acts amendatory thereof and supplemental thereto (including the Dissolution Act), and the Community Development Commission Law, constituting Part 1.7 of Division 24 of the Health and Safety Code of the State, and the acts amendatory thereof and supplemental thereto.

"**Maximum Annual Debt Service**" means, as of the date of calculation, the largest amount for the current or any future Bond Year payable on the 2015 Bonds or any Parity Debt in such Bond Year. For purposes of such calculation, the amount of interest on any Bonds or other Parity Debt that is payable from the proceeds of such Bonds or Parity Debt that is set aside solely for such purpose shall not be included in the calculation of Maximum Annual Debt Service, and there also shall be

excluded payments with respect to the 2015 Bonds or any Parity Debt to the extent that amounts due with respect to the 2015 Bonds or such Parity Debt are prepaid or otherwise discharged in accordance with this Indenture or the relevant Parity Debt Instrument.

"**Moody's**" means Moody's Investors Service and its successors.

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

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

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

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

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

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

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

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

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

"**Participating Underwriter**" has the meaning ascribed thereto in the Continuing Disclosure Certificate.

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

(a) Federal Securities;

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they

have been stripped by the agency itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) Federal Housing Administration debentures; (iv) participation certificates of the General Services Administration; (v) Federal Financing Bank bonds and debentures; (vi) guaranteed mortgage-backed bonds or guaranteed pass-through obligations of Ginnie Mae (formerly known as the Government National Mortgage Association); (vii) guaranteed Title XI financings of the U.S. Maritime Administration; and (viii) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development;

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

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of at least AAAm-G, AAAm or AAm, and a rating by Moody's of Aaa, Aa1 or Aa2 (such funds may include funds for which the Trustee, its affiliates, parent or subsidiaries provide investment advisory or other management services);

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

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits (including those of the Trustee and its affiliates), but only to the extent that the amount being invested in such certificates of deposit, savings accounts, deposit accounts or money market deposits are fully insured by FDIC, including BIF and SAIF;

(g) Investment agreements, including guaranteed investment contracts, forward purchase agreements, reserve fund put agreements and collateralized investment agreements with an entity rated "Aa" or better by Moodys' and "AA" or better by S&P, or unconditionally guaranteed by an entity rated "Aa" or better by Moodys' and "AA" or better by S&P;

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

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

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

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

"**Pledged Tax Revenues**" means all taxes that were eligible for allocation to the Former Agency with respect to the Project Area and are allocated to the Successor Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws and that are deposited in the RPTTF, excluding all amounts required to be paid to taxing entities pursuant to Sections 33607.5 and 33607.7 of the Law unless such payments are subordinated to payments on the 2015 Bonds or any additional Bonds or to the payments owed under any Parity Debt Instrument pursuant to Section 33607.5(e) of the Law and 34177.5(c) of the Dissolution Act.

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

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

"**Project Area**" means the Downtown Redevelopment Project.

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

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

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

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

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

"**Redevelopment Plan**" means the redevelopment plan for the Project Area adopted and approved by Ordinance No. 75-35. adopted by the City Council of the City on November 19, 1975, as heretofore amended and as may hereafter be amended in accordance with the law.

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

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

"**Refunded Bonds**" means, collectively, the 2002 Bonds, the 2003A Bonds, the 2003B Bonds and the 2004 Bonds.

"**Refunding Fund**" means the 2015 Refunding Fund established and held by the Trustee pursuant to Section 3.04.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"**Senior Bonds Indenture**" means the Indenture of Trust, dated as of April 1, 1987, between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, as supplemented by a First Supplement to Indenture of Trust dated as of July 1, 1993, by a Second Supplement to Indenture of Trust dated as of October 1, 1994, by a Third Supplement to Indenture of Trust dated as of July 1, 2003 and a Fourth Supplement to Indenture of Trust dated as of September 1, 2004, and as amended by the Amendment to Indenture of Trust dated February 14, 1995 and by the First Amendment to Indenture of Trust dated as of February 1, 2002, pursuant to which the 2003A Bonds and the 2004 Bonds were issued.

"**Serial Bonds**" means all Bonds other than Term Bonds.

"**Series 2015A Bonds**" means the $_____ initial aggregate principal amount of Successor Agency to the City of Oceanside Redevelopment Agency Tax Allocation Refunding Bonds, Series 2015A.

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

"**State**" means the State of California.

"**Subordinate Bonds Indenture**" means the Indenture of Trust dated as of February 1, 2002, between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, as supplemented by a First Supplement to Indenture of Trust dated as of December 1, 2003, pursuant to which the 2002 Bonds and the 2003B Bonds were issued.

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

"**Taxable Series 2015B Bonds**" means the $_____ initial aggregate principal amount of Successor Agency to the City of Oceanside Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2015B.

"**Taxable Series 2015B Bonds Account**" means the account by that name established within the Refunding Fund.

"**Term Bonds**" means (i) the Series 2015A Bonds maturing on September __, 20__, and September 1, 20__, (ii) the Taxable Series 2015B Bonds maturing on September __, 20__, and September 1, 20__, and (iii) that portion of any Parity Debt payable from mandatory sinking account payments.

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

"**Written Request of the Successor Agency**" or "**Written Certificate of the Successor Agency**" means a request or certificate, in writing signed by the Executive Director or Treasurer of the Successor Agency, or the designee of either, or by any other officer of the Successor Agency or the City duly authorized by the Successor Agency for that purpose.

"**2002 Bonds**" means the $22,030,000 aggregate principal amount Community Development Commission of the City of Oceanside Downtown Redevelopment Project Subordinate 2002 Tax Allocation Bonds.

"**2002 Escrow Agreement**" means the escrow agreement by and between the Successor Agency and the Escrow Bank dated the Closing Date relating to the 2002 Bonds.

"**2003A Bonds**" means the $7,740,000 aggregate principal amount Community Development Commission of the City of Oceanside Downtown Redevelopment Project 2003 Refunding Tax Allocation Bonds.

"**2003A Escrow Agreement**" means the escrow agreement by and between the Successor Agency and the Escrow Bank dated the Closing Date relating to the 2003A Bonds.

"**2003B Bonds**" means the $17,800,000 aggregate principal amount Community Development Commission of the City of Oceanside Downtown Redevelopment Project Subordinate 2003 Tax Allocation Bonds.

"**2003B Escrow Agreement**" means the escrow agreement by and between the Successor Agency and the Escrow Bank dated the Closing Date relating to the 2003B Bonds.

"**2004 Bonds**" means the $13,510,000 aggregate principal amount Community Development Commission of the City of Oceanside Downtown Redevelopment Project 2004 Refunding Tax Allocation Bonds.

"**2004 Escrow Agreement**" means the escrow agreement by and between the Successor Agency and the Escrow Bank dated the Closing Date relating to the 2004 Bonds.

"**2015 Bonds**" means, collectively, the Series 2015A Bonds and the Taxable Series 2015B Bonds.

"**2015 Insurance Policy**" means [to come].

"**2015 Insurer**" means [to come].

"**2015 Reserve Account Agreement**" means [to come].

"**2015 Reserve Policy**" means [to come].

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

ARTICLE II

AUTHORIZATION AND TERMS

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

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

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

Series 2015A Bonds

Maturity Date (September 1)	*Principal Amount*	*Interest Rate*

Taxable Series 2015B Bonds

Maturity Date (September 1)	*Principal Amount*	*Interest Rate*

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

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

Section 2.03 Redemption of 2015 Bonds.

(a) Optional Redemption. The 2015 Bonds are not subject to optional redemption prior to their stated maturity.

(b) Mandatory Sinking Fund Redemption. The Series 2015A Bonds that are Term Bonds maturing September 1, 20__ and September 1, 20__ shall also be subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, commencing September 1, 20__ and September 1, 20__, respectively, as set forth below, from sinking fund payments made by the

Successor Agency to the Principal Account pursuant to Section 4.03(b), at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following table[s]; provided however, that (y) in lieu of redemption thereof such Series 2015A Term Bonds may be purchased by the Successor Agency pursuant to Section 2.03(g) hereof, and (z) if some but not all of such Series 2015A Term Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Series 2015A Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of $5,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee).

Series 2015A Term Bonds of 20__

September 1	*Principal Amount*

Series 2015A Term Bonds of 20__

September 1	*Principal Amount*

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

Taxable Series 2015B Term Bonds of 20__

September 1	*Principal Amount*

Taxable Series 2015B Term Bonds of 20__

September 1	*Principal Amount*

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

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

Section 2.05 Execution of Bonds. The Bonds shall be executed on behalf of the Successor Agency by the signature of its Executive Director or its Treasurer or the written designee of either and the signature of its Secretary who are in office on the date of execution and delivery of this Indenture or at any time thereafter. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the purchaser. Any Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual

date of the execution of such Bond shall be the proper officers of the Successor Agency although on the date of such Bond any such person shall not have been such officer of the Successor Agency.

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

Section 2.06 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Principal Corporate Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Bond shall be surrendered for transfer, the Successor Agency shall execute and the Trustee shall thereupon authenticate and deliver to the transferee a new Bond or Bonds of like tenor, maturity and aggregate principal amount of authorized denominations. The Trustee shall collect from the Owner any tax or other governmental charge on the transfer of any Bonds pursuant to this Section 2.06. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Successor Agency.

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

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

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

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

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

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

Section 2.11 Book-Entry System.

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

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, neither the Successor Agency nor the Trustee shall have any responsibility or obligation to any Depository System Participant or to any person on behalf of which the Depository System Participant holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, neither the Successor Agency nor the Trustee shall have any responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any

Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bondowner as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the Successor Agency elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bondowner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The Successor Agency and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal, premium and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and interest and premium, if any, on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than a Bondowner shall receive a Bond evidencing the obligation of the Successor Agency to make payments of principal, interest and premium, if any, pursuant to this Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Successor Agency shall promptly deliver a copy of the same to the Trustee.

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

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

Prior to its termination, the Depository shall furnish the Trustee with the names and addresses of the Depository System Participants and respective ownership interests thereof.

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

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

ARTICLE III

DEPOSIT AND APPLICATION; ADDITIONAL DEBT

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

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

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

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

(ii) The Trustee shall deposit $_____, being the remaining amount of proceeds of the Series 2015A Bonds, in the Series 2015A Bonds Account of the Refunding Fund.

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

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

(ii) The Trustee shall deposit $_____, being the remaining amount of proceeds of the Taxable Series 2015B Bonds, in the Taxable Series 2015B Bonds Account of the Refunding Fund.

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

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

Section 3.04 Refunding Fund.

(a) There shall be established a separate and segregated fund to be known as the "2015 Refunding Fund" (the "Refunding Fund"), together with a "Series 2015A Bonds Account" and a "Taxable Series 2015B Bonds Account" therein.

(b) On the Closing Date with respect to the 2015 Bonds, the Trustee shall disburse the $_____ on deposit in the Series 2015A Bonds Account as follows:

(i) $_____ shall be transferred to the Escrow Bank for deposit pursuant to the 2002A Escrow Agreement;

(ii) $_____ shall be transferred to the Escrow Bank for deposit pursuant to the 2003A Escrow Agreement; and

(iii) $_____ shall be transferred to the Escrow Bank for deposit pursuant to the 2004 Escrow Agreement.

Upon making such transfers, the Trustee shall close the Series 2015A Bonds Account.

(c) On the Closing Date with respect to the 2015 Bonds, the Trustee shall transfer the $_____ on deposit in the Taxable Series 2015B Bonds Account to the Escrow Bank for deposit pursuant to the 2003B Escrow Agreement.

Upon making such transfers, the Trustee shall close the Taxable Series 2015B Bonds Account and, upon closing the Series 2015A Bonds Account and the Taxable Series 2015B Bonds Account, the Refunding Fund.

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

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

(b) The additional bonds shall provide savings to the Successor Agency in compliance with Health and Safety Code section 34177.5;

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

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

Notwithstanding the foregoing, no provision herein shall prevent the Successor Agency from issuing additional bonds or incurring other loans, advances or indebtedness payable from Pledged Tax Revenues on a subordinate basis to the 2015 Bonds and any Parity Debt.

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

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

properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Bonds.

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

Section 4.02 Special Fund; Deposit of Pledged Tax Revenues. There is hereby established a special fund to be known as the "Special Fund" which is to be held by the Successor Agency within the Redevelopment Obligation Retirement Fund. The Special Fund shall be held by the Successor Agency separate and apart from other funds of the Successor Agency.

[The Successor Agency shall deposit all of the Pledged Tax Revenues received with respect to any Semiannual Period in accordance with Section 5.17 hereof into the Special Fund promptly upon receipt thereof by the Successor Agency. All Pledged Tax Revenues received by the Successor Agency in excess of the amount required to make the deposits required herein in order to pay debt service on the Bonds and any Parity Debt and to make any other payments due hereunder, and except as may be provided to the contrary in this Indenture or in any Supplemental Indenture or Parity Debt Instrument, shall be released from the pledge and lien hereunder and shall be applied in accordance with the Law. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Bonds and the payment in full of all other amounts payable hereunder and under any Supplemental Indentures or other Parity Debt Instrument, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Special Fund, except as may be provided in this Indenture and in any Supplemental Indenture or other Parity Debt Instrument.]

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

(a) Interest Account. On or before the fifth (5th) Business Day preceding each Interest Payment Date, commencing with the Interest Payment Date of [March 1, 2016], the Successor Agency shall withdraw from the Special Fund and transfer to the Trustee, for deposit in the Interest Account an amount which when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. All moneys in the Interest

Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds redeemed prior to maturity pursuant to this Indenture).

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

(c) Reserve Account. There is hereby established in the Debt Service Fund a separate account known as the "Reserve Account" solely as security for payments payable by the Successor Agency pursuant to this Section 4.03 and pursuant to any Supplemental Indenture or other Parity Debt Instrument, which shall be held by the Trustee in trust for the benefit of the Owners of the Bonds and any Parity Debt. The Reserve Requirement for the 2015 Bonds will be satisfied by the delivery of the 2015 Reserve Policy by the 2015 Insurer on the Closing Date with respect to the 2015 Bonds.

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

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

Except as provided above, the amount on deposit in the Reserve Account shall be maintained at the Reserve Requirement at all times prior to the payment of the Bonds and any Parity Debt in full. If there shall then not be sufficient Pledged Tax Revenues to transfer an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account, the Successor Agency shall be obligated to continue making transfers as Pledged Tax Revenues become available until there is an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account. No such transfer and deposit need be made to the Reserve Account so long as there shall be on deposit therein a sum at least equal to the Reserve Requirement. All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers pursuant to any Parity Debt Instrument and hereunder to the Interest Account, the Principal Account and the Sinking Account, in the event of any deficiency at any time in any of such accounts or for the retirement of all the Bonds then Outstanding, except that so long as the Successor Agency is not in default hereunder or under any Parity Debt Instrument, any amount in the Reserve Account in excess

of the Reserve Requirement shall be withdrawn from the Reserve Account semiannually on or before two (2) Business Days preceding each March 1 and September 1 by the Trustee and deposited in the Interest Account or be applied pro rata in accordance with any applicable provision of a Parity Debt Instrument. All amounts in the Reserve Account on the Business Day preceding the final Interest Payment Date shall be withdrawn from the Reserve Account and shall be transferred to the Interest Account and the Principal Account, in such order, to the extent required to make the deposits then required to be made pursuant to this Section 4.03 or shall be applied pro rata as required by any Parity Debt Instrument, as applicable.

The Successor Agency shall have the right at any time to direct the Trustee to release funds from the Reserve Account, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Account Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the 2015A Bonds or any Parity Debt the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Trustee, and upon delivery by the Successor Agency to the Trustee of written calculation of the amount permitted to be released from the Reserve Account (upon which calculation the Trustee may conclusively rely), the Trustee shall transfer such funds from the Reserve Account to the Successor Agency to be applied in accordance with the Law. The Trustee shall comply with all documentation relating to a Qualified Reserve Account Credit Instrument as shall be required to maintain such Qualified Reserve Account Credit Instrument in full force and effect and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this paragraph (d). Upon the expiration of any Qualified Reserve Account Credit Instrument, the Successor Agency shall either (i) replace such Qualified Reserve Account Credit Instrument with a new Qualified Reserve Account Credit Instrument, or (ii) deposit or cause to be deposited with the Trustee an amount of funds equal to the Reserve Requirement, to be derived from the first legally available Pledged Tax Revenues. If the Reserve Requirement is being maintained partially in cash and partially with a Qualified Reserve Account Credit Instrument, the cash shall be first used to meet any deficiency which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.03(a) or 4.03(b) of this Indenture. If the Reserve Requirement is being maintained with two or more Qualified Reserve Account Credit Instruments, any draw to meet a deficiency which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.03(a), 4.03(b) or 4.03(c) of this Indenture shall be pro-rata with respect to each such instrument. If the Reserve Requirement with respect to a particular series of Bonds is secured by a Qualified Reserve Account Credit Instrument that relates only to such series of Bonds, the calculation of Reserve Requirement for such series of Bonds shall be calculated on a stand alone basis.

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

(d) Redemption Account. On or before the Business Day preceding any date on which Bonds are to be redeemed pursuant to Section 2.03(a), the Trustee shall withdraw from the Debt Service Fund any amount transferred by the Successor Agency pursuant to Section 2.03(a) for deposit in the Redemption Account, such amount being the amount required to pay the principal of and premium, if any, on the Series 2015A Bonds, the Taxable Series 2015B Bonds and on other Bonds to be redeemed on such date pursuant to Section 2.03(a) or a similar provision of a Supplemental Indenture.] All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Series 2015A Bonds, the Taxable Series 2015B Bonds and on such other Bonds to be redeemed pursuant to Section 2.03(a) or a similar provision of a Supplemental Indenture on the date set for such redemption. Interest due on the Series 2015A Bonds, the Taxable Series 2015B Bonds or such other Bonds to be redeemed on the date set for redemption shall, if applicable, be paid from funds available therefor in the Interest Account. Notwithstanding the foregoing, at any time prior to giving notice of redemption of any such Series 2015A Bonds, the Taxable Series 2015B Bonds or such other Bonds, the Trustee may, at the direction of the Successor Agency, apply amounts deposited or otherwise to be deposited in the Redemption Account to the purchase of the Series 2015A Bonds, the Taxable Series 2015B Bonds or such other Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest on such Series 2015A Bonds, the Taxable Series 2015B Bonds or such other Bonds, which is payable from the Interest Account) as shall be directed by the Successor Agency.

Section 4.04 Provisions Relating to 2015 Insurance Policy. [to come]

Section 4.05 Provisions Relating to 2015 Reserve Policy. [to come]

ARTICLE V

OTHER COVENANTS OF THE SUCCESSOR AGENCY

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

Section 5.02 Limitation on Additional Indebtedness; Against Encumbrances. The Successor Agency hereby covenants that, so long as the Bonds are Outstanding, the Successor Agency shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Pledged Tax Revenues except for obligations issued to refund any of the Bonds or any Parity Debt, but only if the requirements of Section 3.05 are met. The Successor Agency will not otherwise encumber, pledge or place any charge or lien upon any of the Pledged Tax Revenues or other amounts pledged to the Bonds superior or equal to the pledge and lien herein created for the benefit of the Bonds.

Section 5.03 Extension of Payment. The Successor Agency will not, directly or indirectly, extend or consent to the extension of the time for the payment of any Bond or claim for interest on any of the Bonds and will not, directly or indirectly, be a party to or approve any such

arrangement by purchasing or funding the Bonds or claims for interest in any other manner. In case the maturity of any such Bond or claim for interest shall be extended or funded, whether or not with the consent of the Successor Agency, such Bond or claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

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

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

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

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

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

Section 5.07 Payments of Taxes and Other Charges. Except as otherwise provided herein, the Successor Agency will pay and discharge, or cause to be paid and discharged, all taxes,

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

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

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

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

Section 5.11 No Arbitrage. The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Series 2015A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series 2015A Bonds would have caused the Series 2015A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 5.12 Private Activity Bond Limitation. The Successor Agency shall assure that the proceeds of the Series 2015A Bonds are not so used as to cause the Series 2015A Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

Section 5.13 Federal Guarantee Prohibition. The Successor Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Series 2015A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 5.14 Rebate Requirement. The Successor Agency shall take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Series 2015A Bonds.

Section 5.15 Maintenance of Tax-Exemption. The Successor Agency shall take all actions necessary to assure the exclusion of interest on the Series 2015A Bonds from the gross income of the Owners of the Series 2015A Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Series 2015A Bonds.

Section 5.16 Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee at the request of any Participating Underwriter (as defined in the Continuing Disclosure Certificate) or the holders of at least 25% aggregate principal amount of Outstanding Bonds, shall, but only to the extent the Trustee has been indemnified from and against any loss, liability, cost or expense, including, without limitation, fees and expenses of its attorneys and advisors and additional fees and expenses of the Trustee, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 5.17 Compliance with the Dissolution Act. The Successor Agency shall comply with all of the requirements of the Law and the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants hereunder.

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

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

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

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

[In order to accomplish the foregoing, the Successor Agency shall take all actions required under the Law to include in the Recognized Obligation Payment Schedule for each Semiannual Period (i) debt service on the Bonds and (ii) all amounts due and owing to the 2015 Insurer hereunder or under the 2015 Reserve Account Agreement, or to any other Insurer, so as to enable the San Diego

County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund on each January 2 and June 1, as applicable, amounts required to enable the Successor Agency to pay timely principal of, and interest on, the Bonds on a timely basis, as well as all amounts due and owing to the 2015 Insurer hereunder or under the 2015 Reserve Account Agreement or to any other Insurer. In order to ensure that amounts are available for the Trustee to pay debt service on all Outstanding Bonds and all amounts due and owing to the 2015 Insurer hereunder or under the 2015 Reserve Account Agreement or to any other Insurer on a timely basis, not fewer than 90 days prior to each January 2 and June 1 thereafter (or at such earlier time as may be required by the Dissolution Act), for so long as any Bonds are outstanding, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the San Diego County Auditor-Controller that shall include (i) one-half of all debt service due on all Outstanding Bonds for the Bond Year in which such January 2 and June 1 occur as well as all amounts due and owing to the 2015 Insurer hereunder or under the 2015 Reserve Account Agreement or to any other Insurer,, and (ii) any amount required to cure any deficiency in the Reserve Account pursuant to this Indenture (including any amounts required due to a draw on the Qualified Reserve Account Credit Instrument as well as all amounts due and owing to the 2015 Insurer hereunder or under the 2015 Reserve Account Agreement.

In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2015 Bonds that relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the Bonds and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of (i) not less than one of half of debt service due during each Bond Year on all Outstanding Bonds prior to March 1 of such Bond Year, and (ii) the remainder of debt service due during such Bond Year on all Outstanding Bonds prior to the next succeeding September 1.]

Section 5.18 Further Assurances. The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.

ARTICLE VI

THE TRUSTEE

Section 6.01 Duties, Immunities and Liabilities of Trustee.

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

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

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

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

(e) If an Event of Default hereunder occurs with respect to any Bonds of which the Trustee has been given or is deemed to have notice, as provided in Section 6.03(d) hereof, then

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

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

Section 6.02 Merger or Consolidation. Any bank or trust company into which the Trustee may be merged or converted or with which may be consolidated or any bank or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or trust company shall be eligible under subsection (f) of Section 6.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 6.03 Liability of Trustee.

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

(b) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of

conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

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

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

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

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

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

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

(i) Before taking any action under Article VIII or this Article at the request of the Owners or any Insurer, the Trustee may require that a satisfactory indemnity bond be furnished by the Owners or any Insurer for the reimbursement of all expenses to which it may be put and to

protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken.

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

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

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

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

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

The Successor Agency further covenants and agrees to indemnify, defend and save the Trustee and its officers, directors, agents and employees, harmless against any loss, expense and liabilities which it may incur to the extent arising out of or in connection with the exercise and

performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability, but excluding any and all losses, expenses and liabilities which are due to the negligence or misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the Successor Agency and the rights of the Trustee under this Section 6.06 shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

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

The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Successor Agency monthly cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

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

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

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

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

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

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

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

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

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

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

(d) to amend any provision hereof relating to the requirements of or compliance with the Code, to any extent whatsoever but only if and to the extent such amendment will not

adversely affect the exemption from federal income taxation of interest on any of the Bonds, in the opinion of Bond Counsel; or

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

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

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

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

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

Section 7.05 Opinion of Counsel. Prior to executing any Supplemental Indenture, the Trustee shall be furnished an opinion of counsel, upon which it may conclusively rely to the effect that all conditions precedent to the execution of such Supplemental Indenture under this Indenture have been satisfied and such Supplemental Indenture is authorized and permitted under this Indenture

and does not adversely affect the exclusion of interest on the 2015A Bonds from gross income for federal income tax purposes or adversely affect the exemption of interest on the Bonds from personal income taxation by the State.

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

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

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

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

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

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

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

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

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

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

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

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

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

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

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

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of (and premium, if any) and interest on such Bond as herein provided, shall not be impaired or affected without the

written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

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

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

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

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

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

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

ARTICLE IX

MISCELLANEOUS

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

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

Section 9.03 Discharge of Indenture.

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

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

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

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

and, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given pursuant to Section 2.03(c) or provision satisfactory to the Trustee shall have been made for the giving of such notice, then, at the election of the Successor Agency, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Pledged Tax Revenues and other funds provided for in this Indenture and all other obligations of the Trustee and the Successor Agency under this Indenture shall cease and terminate with respect to all

Outstanding Bonds or, if applicable, with respect to that portion of the Bonds which has been paid and discharged, except only (A) the covenants of the Successor Agency hereunder with respect to the Code, (B) the obligation of the Trustee to transfer and exchange Bonds hereunder, (C) the obligations of the Successor Agency under Section 6.06 hereof, and (D) the obligation of the Successor Agency to pay or cause to be paid to the Owners (or any Insurer), from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee and any Insurer all fees, expenses and costs of the Trustee and any Insurer. In the event the Successor Agency shall, pursuant to the foregoing provision, pay and discharge any portion or all of the Bonds then Outstanding, the Trustee shall be authorized to take such actions and execute and deliver to the Successor Agency all such instruments as may be necessary or desirable to evidence such discharge, including, without limitation, selection by lot of Bonds of any maturity of the Bonds that the Successor Agency has determined to pay and discharge in part.

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

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

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

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

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

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

Section 9.05 Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Successor Agency or the City (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination.

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

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

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

If to the Successor Agency:	Successor Agency to the City of Oceanside Redevelopment Agency 300 North Coast Highway Oceanside, California 92054 Attention: Executive Director
If to the Trustee:	The Bank of New York Mellon Trust Company, N.A. 400 South Hope Street, Suite 400 Los Angeles, California 90071 Attention: Corporate Trust Department
If to the 2015 Insurer:	[to come]

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

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

provisions of Section 6.01 hereof, be assumed by and vest in the Treasurer of the Successor Agency in trust for the benefit of the Owners. The Successor Agency covenants for the direct benefit of the Owners that its Treasurer in such case shall be vested with all of the rights and powers of the Trustee hereunder, and shall assume all of the responsibilities and perform all of the duties of the Trustee hereunder, in trust for the benefit of the Bonds, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof.

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

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

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

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

SUCCESSOR AGENCY TO THE CITY OF OCEANSIDE REDEVELOPMENT AGENCY

By:_____
Executive Director

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

By:_____
Authorized Officer

EXHIBIT A

(FORM OF SERIES 2015A BOND)

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

SUCCESSOR AGENCY TO THE CITY OF OCEANSIDE REDEVELOPMENT AGENCY
TAX ALLOCATION BONDS, SERIES 2015A

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

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: DOLLARS

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

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as "Successor Agency to the City of Oceanside Redevelopment Agency Tax Allocation Bonds, Series 2015A" (the "Bonds"), of an aggregate principal amount of $_____, all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, or redemption and other provisions) and all issued pursuant to the provisions of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the "Refunding Law"), the Dissolution Act (as such term is defined in the Indenture), and the Community Redevelopment Law and Community Development Commission Law, constituting Parts 1 and 1.7 of Division 24 of the California Health and Safety Code (the "Law"), and pursuant to an Indenture of Trust, dated as of _____ 1, 2015, entered into by and between the Successor Agency and the Trustee (the "Indenture"), providing for the issuance of the Bonds. The Bonds are being issued in the form of registered Bonds without coupons. Simultaneously with the issuance of the Bonds, the Successor Agency is also issuing bonds designated as "Successor Agency to the City of Oceanside Redevelopment Agency Taxable Tax Allocation Bonds, Series 2015B" (the "Taxable Series 2015B Bonds") that are payable from Pledged Tax Revenues on a parity with the Bonds. Additional bonds, or other obligations may be issued on a parity with the Bonds and the Taxable Series 2015B Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Law for a description of the terms on which the Bonds and the Taxable Series 2015B Bonds are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees. Capitalized terms not otherwise defined herein shall have the meanings given them in the Indenture.

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

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

There has been created, and will be maintained by, the Successor Agency the Special Fund (as defined in the Indenture) into which Pledged Tax Revenues shall be deposited and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the Bonds and any additional Parity Debt as defined in the Indenture. As and to the extent set forth in the Indenture, all such Pledged Tax Revenues and the moneys in the Special Fund (as such terms are defined in the Indenture) are exclusively and irrevocably pledged to and constitute a trust fund, in accordance with the terms hereof and the provisions of the Indenture and the Law, for the security and payment or redemption of, including any premium upon early redemption, and for the security and payment of interest on, the Bonds, the Taxable Series 2015B Bonds and any additional Parity Debt (as defined in the Indenture). In addition, the Bonds shall be additionally secured at all times by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the applicable subaccount within the Reserve Account and the

Redemption Account (as such terms are defined in the Indenture). Except for the Pledged Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium, if any, on the Bonds and the Taxable Series 2015B Bonds.

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

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

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

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

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

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

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

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

The rights and obligations of the Successor Agency and the registered owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the registered owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee.

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

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

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

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

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

SUCCESSOR AGENCY TO THE CITY OF OCEANSIDE REDEVELOPMENT AGENCY

By:_____
Executive Director

ATTEST:

_____
Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

Authentication Date: _____

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

By:_____
Authorized Signatory

(FORM OF ASSIGNMENT)

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

_____

_____

_____

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

the within-registered Bond and hereby irrevocably constitute(s) and appoints(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signatures Guaranteed:

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

EXHIBIT B

(FORM OF TAXABLE SERIES 2015B BOND)

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

SUCCESSOR AGENCY TO THE CITY OF OCEANSIDE REDEVELOPMENT AGENCY
TAX ALLOCATION BONDS, SERIES 2015B

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

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: DOLLARS

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

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as "Successor Agency to the City of Oceanside Redevelopment Agency Taxable Tax Allocation Bonds, Series 2015B" (the "Bonds"), of an aggregate principal amount of $_____, all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, or redemption and other provisions) and all issued pursuant to the provisions of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the "Refunding Law"), the Dissolution Act (as such term is defined in the Indenture), and the Community Redevelopment Law and Community Development Commission Law, constituting Parts 1 and 1.7 of Division 24 of the California Health and Safety Code (the "Law"), and pursuant to an Indenture of Trust, dated as of _____ 1, 2015, entered into by and between the Successor Agency and the Trustee (the "Indenture"), providing for the issuance of the Bonds. The Bonds are being issued in the form of registered Bonds without coupons. Simultaneously with the issuance of the Bonds, the Successor Agency is also issuing bonds designated as "Successor Agency to the City of Oceanside Redevelopment Agency Tax Allocation Bonds, Series 2015A" (the "Series 2015A Bonds") that are payable from Pledged Tax Revenues on a parity with the Bonds. Additional bonds, or other obligations may be issued on a parity with the Bonds and the Series 2015A Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Law for a description of the terms on which the Bonds and the Series 2015A Bonds are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees. Capitalized terms not otherwise defined herein shall have the meanings given them in the Indenture.

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

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

There has been created, and will be maintained by, the Successor Agency the Special Fund (as defined in the Indenture) into which Pledged Tax Revenues shall be deposited and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the Bonds and any additional Parity Debt as defined in the Indenture. As and to the extent set forth in the Indenture, all such Pledged Tax Revenues and the moneys in the Special Fund (as such terms are defined in the Indenture) are exclusively and irrevocably pledged to and constitute a trust fund, in accordance with the terms hereof and the provisions of the Indenture and the Law, for the security and payment or redemption of, including any premium upon early redemption, and for the security and payment of interest on, the Bonds, the Series 2015A Bonds and any additional Parity Debt (as defined in the Indenture). In addition, the Bonds shall be additionally secured at all times by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the applicable subaccount within the Reserve Account and the Redemption Account (as such terms are defined in the Indenture). Except for the Pledged Tax Revenues and such

moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium, if any, on the Bonds and the Series 2015A Bonds.

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

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

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

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

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

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

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

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

The rights and obligations of the Successor Agency and the registered owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the registered owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee.

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

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

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

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

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

SUCCESSOR AGENCY TO THE CITY OF OCEANSIDE REDEVELOPMENT AGENCY

By:_____
Executive Director

ATTEST:

_____
Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

Authentication Date: _____

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

By:_____
Authorized Signatory

(FORM OF ASSIGNMENT)

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

_____

_____

_____

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

the within-registered Bond and hereby irrevocably constitute(s) and appoints(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signatures Guaranteed:

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

CSG | advisors

ATTACHMENT 3

Via Email Delivery

MEMORANDUM

To: Oversight Board to the Successor Agency to the City of Oceanside Redevelopment Agency

Date: May 20, 2015

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

RE: Debt Service Savings Analysis for Proposed Tax Allocation Refunding Bonds, Series 2015A (Tax-Exempt) & Series 2015B (Taxable)

Background

Purpose of this Report. CSG Advisors Incorporated (CSG) is an Independent Registered Municipal Advisor (IRMA) registered with both the Securities & Exchange Commission and the Municipal Securities Rulemaking Board. CSG has significant experience with tax increment financing, including post-Redevelopment Dissolution refinancing in California. The Successor Agency to the City of Oceanside Redevelopment Agency (the Successor Agency) has requested that CSG prepare this Debt Service Savings Analysis in conforming with California Health & Safety Code Section 34177.5(h) of the Redevelopment Dissolution Act. This Debt Service Savings Analysis summarizes the potential savings that will accrue to the Successor Agency and applicable taxing entities as a result of the issuance of the proposed Tax Allocation Refunding Bonds, Series 2015A (Tax-Exempt) & Series 2015B (Taxable) (collectively, the 2015 Bonds) as described below. The 2015 Bonds are proposed to refund certain outstanding bond obligations of the Successor Agency and the following also summarizes how the refunding of such obligations meets the applicable requirements of the Dissolution Act.

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

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

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

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

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

(A) make diligent efforts to ensure that the lowest long-term cost financing is obtained;

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

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

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

Pledge of Tax Increment Revenues. The Dissolution Act provides two methods of pledging revenues allocated to successor agencies to such refunding bonds:

(A) Under Section 34177.5(a)(1) – The successor agency may pledge to such refunding bonds the revenues pledged to the bonds being refunded and, such pledge, when made in connection with the issuance of such refunding bonds, shall have the same lien priority as the pledge thereof in respect of the bonds to be refunded, and shall be valid and binding and enforceable in accordance with its terms (the Prior Lien Priority Pledge).

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

2015 Plan of Finance. As of the date of this report, the Successor Agency has the following Tax Allocation Bonds outstanding:

TABLE 1
Summary of Tax Allocation Bonds Outstanding

Series	**2002**	**2003**	**2003**	**2004**
Lien	Subordinate	Senior	Subordinate	Senior
Issuance Date	February 20, 2002	July 23, 2003	December 11, 2003	September 23, 2004
Original Par Amount	$22,030,000	$7,740,000	$17,800,000	$13,510,000
Remaining Par*	$13,895,000	$2,520,000	$12,120,000	$10,060,000
Final Maturity Date	September 1, 2025	September 1, 2018	September 1, 2025	September 1, 2024
Form of Reserve Fund	Cash	Surety (Parity w/2004)	Cash	Surety (Parity w/2003)
Avg Interest Rate Prior Bonds	5.69%	4.00%	5.62%	4.44%
Call Provision	Any date @ Par	Any date @ Par	Any date @ Par	Any date @ Par

* *Excludes principal due on September 1, 2015.*

The Successor Agency bonds described in Table 1 (the Prior Bonds) are paid from tax increment revenues generated from the Downtown Redevelopment Project (the Project Area). The Project Area was first established in 1975 and has been amended several times. It consists of approximately 375 acres in the downtown beach area of the City, generally bounded by Interstate 5 on the east, the Pacific Ocean on the west, the Oceanside Small Craft Harbor on the north, and Wisconsin Street on the south.

The Successor Agency has considered the refinancing of its outstanding Tax Allocation Bonds with the primary objective to maximize savings. Stifel, Nicolaus & Company Incorporated (the Underwriter), an investment banking firm, has been appointed Underwriter by the Successor Agency, after a competitive proposal process conducted by City staff. The Underwriter, working together with CSG and Stradling, Yocca, Carlson & Rauth, the Successor Agency's Bond Counsel, has presented a refunding analysis for the possible issuance of the 2015 Bonds based on the following key structuring features:

- Statutory Pledge of former tax increment revenues which (i) includes the Prior Agency's former Low and Moderate Income Housing Funds, and (ii) allows all Prior Bonds to be refunded on a senior lien basis.

- Bonds secured by a reserve fund surety policy and/or bond insurance if the savings derived from such policies exceed the costs.

- Approximately, $6.6 million in 2003 Bond proceeds remain unspent and are earmarked for the City's Lot 23 Parking Garage project. It is assumed that the 2003 Bonds will be refunded on a taxable basis due to Bond Counsel's analysis of that financing.

- Maturities dates with respect to each series of bonds being refunded are not extended.

Overview of Refunding Savings

Refunding Economics. The refunding of each series of Prior Bonds is anticipated to meet the savings parameters required under the Dissolution Act, which is that in each case the total principal and interest of the allocable share of the 2015 Bonds is less than the total principal and interest of the respective series of Prior Bonds (the Savings Parameters). Further, the proceeds of the 2015 Bonds are used only to pay off the Prior Bonds, fund a reserve fund (or to obtain a surety policy in lieu of funding a reserve fund), and pay costs of issuance.

A preliminary refunding analysis prepared by the Underwriter dated May 15, 2015 is attached as Attachment A. In this analysis, the 2015 Bonds are assumed to close on August 12, 2015. This timeframe is subject to change depending on the timeframe that may be needed for the Department of Finance to complete its review and approve the financing.

The debt service costs and savings are based on market interest rates as of April 16, 2015. Additional key assumptions are that the 2015 Bonds will achieve a rating of "AA-" rating from Standard & Poor's and will qualify for a reserve fund surety by an insurance provider rated "AA." Bond insurance is assumed <u>not</u> to be cost effective in the event that the 2015 Bonds can obtain an "AA-" rating. This will be re-evaluated once a rating is obtained and market conditions are considered closer to the bond sale date. The surety cost is assumed to be 1.50% of the reserve fund requirement. While such underlying ratings and insurance proposals have not yet been secured, assumptions regarding each are considered reasonable by CSG for the proposed 2015 Bonds. The ratings and insurance assumptions will have a significant impact on the refunding economics.

Table 2 summarizes the estimated Sources and Uses of Funds for the 2015 Bonds by series of refunded bonds and in aggregate.

TABLE 2
Estimated Sources and Uses of Funds
Tax Allocation Refunding Bonds, Series 2015A & 2015B (Taxable)
Allocated by Series of Prior Bonds & Total
Rates as of April 16, 2015; Delivery Date of August 12, 2015

Sources of Funds	**2003 Senior TABs**	**2004 Senior TABs**	**2002 Subordinate TABs**	**2015A Tax-Exempt Portion Subtotal**	**2003 Subordinate TABs (2015B Taxable Portion)**	**Total**
Par Amount	$ 1,825,000.00	$ 8,375,000.00	$ 9,790,000.00	$ 19,990,000.00	$ 9,905,000.00	$ 29,895,000.00
Premium	130,314.65	1,390,560.70	1,534,941.65	3,055,817.00	-	3,055,817.00
	1,955,314.65	9,765,560.70	11,324,941.65	23,045,817.00	9,905,000.00	32,950,817.00
Prior Debt Service Funds	639,662.50	620,170.63	1,343,850.00	2,603,683.13	1,169,770.00	3,773,453.13
Prior Reserve Fund	-	-	1,734,337.50	1,734,337.50	1,506,302.50	3,240,640.00
	639,662.50	620,170.63	3,078,187.50	4,338,020.63	2,676,072.50	7,014,093.13
Total Sources of Funds	$ 2,594,977.15	$ 10,385,731.33	$ 14,403,129.15	$ 27,383,837.63	$ 12,581,072.50	$ 39,964,910.13
Uses of Funds						
Escrow Deposit						
Cash Deposit	$ 37.50	$ 617.50	$ 315.62	$ 970.62	$ 513.75	$ 1,484.37
Escrow Securities	2,569,560.48	10,279,294.99	14,283,175.71	27,132,031.18	12,453,943.51	39,585,974.69
	2,569,597.98	10,279,912.49	14,283,491.33	27,133,001.80	12,454,457.26	39,587,459.06
Deliver Date Expenses						
Costs of Issuance	12,209.40	56,029.44	65,495.90	133,734.74	66,265.26	200,000.00
Underwriter's Discount	6,330.07	37,704.93	42,871.82	86,906.82	42,924.43	129,831.25
Surety Reserve	2,737.50	12,562.50	14,685.00	29,985.00	14,857.50	44,842.50
	21,276.97	106,296.87	123,052.72	250,626.56	124,047.19	374,673.75
Rounding	4,102.20	(478.03)	(3,414.90)	209.27	2,568.05	2,777.32
Total Uses of Funds	$ 2,594,977.15	$ 10,385,731.33	$ 14,403,129.15	$ 27,383,837.63	$ 12,581,072.50	$ 39,964,910.13

Table 3 summarizes key bond refunding savings statistics for the 2015 Bonds both by series and in aggregate.

TABLE 3
Summary of Estimated Refunding Results
Tax Allocation Refunding Bonds, Series 2015A & 2015B (Taxable)
Allocated by Series of Prior Bonds & Total
Rates as of April 16, 2015; Delivery Date of August 12, 2015

Refunded Prior Bonds:	**2003 Senior TABs**	**2004 Senior TABs**	**2002 Subordinate TABs**	**2003 Subordinate TABs**	**Total**
Refunded Par Amount	$ 2,520,000	$ 10,060,000	$ 13,895,000	$ 12,120,000	$ 38,595,000
Average Coupon	4.00%	4.44%	5.69%	5.62%	5.28%
Avereage Life (Years)	1.61	5.83	5.59	5.59	5.39
2015 Bonds					
Refunding Par Amount	$ 1,825,000	$ 8,375,000	$ 9,790,000	$ 9,905,000	$ 29,895,000
True Interest Cost	1.26%	2.16%	2.20%	2.88%	2.38%
Avereage Life (Years)	2.08	6.14	5.96	5.75	5.70
Savings Detail:					
PV Savings (discounted at the Arbitrage Yield)	$ 90,008	$ 1,151,668	$ 2,364,681	$ 1,656,315	$ 5,262,672
PV Savings as a % of Refunded Par	3.57%	11.45%	17.02%	13.67%	13.64%
Avg Annual Savings (FY 2016-2025)	$ 30,054	$ 145,345	$ 463,913	$ 356,736	$ 960,476

Table 4 summarizes the total principal and interest of the Prior Bonds compared to the estimated principal and interest for the 2015 Bonds in aggregate.

TABLE 4
Annual Debt Service Comparison
Tax Allocation Refunding Bonds, Series 2015A & 2015B (Taxable)
Aggregate of Prior Bonds vs. 2015 Bonds
Rates as of April 16, 2015; Delivery Date of August 12, 2015

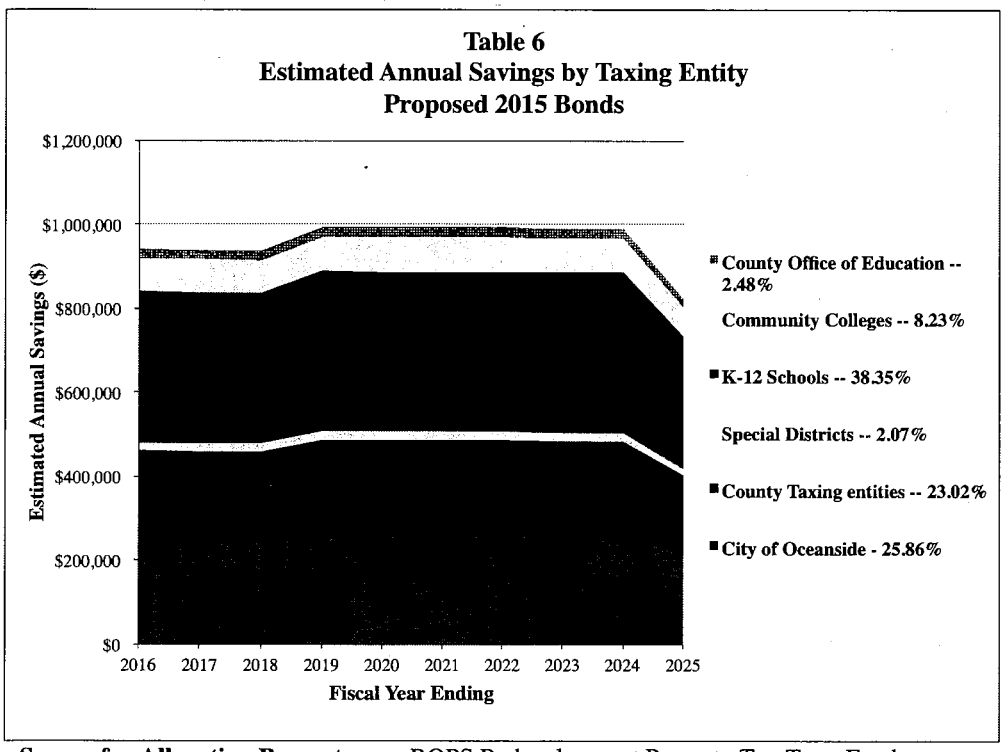
Period Ending	**Prior Principal & Interest Payments**	**Refunding Principal & Interest Payments**	**Successor Agency Savings**
9/1/16	$ 4,765,974	$ 3,823,251	$ 942,723
9/1/17	4,767,209	3,827,222	939,987
9/1/18	4,768,779	3,829,982	938,797
9/1/19	4,858,198	3,862,259	995,939
9/1/20	4,863,103	3,868,792	994,311
9/1/21	4,865,425	3,871,900	993,526
9/1/22	4,860,775	3,866,264	994,512
9/1/23	4,858,688	3,867,180	991,508
9/1/24	4,860,390	3,869,285	991,105
9/1/25	3,240,035	2,417,685	822,350
Total	$ 46,708,574	$ 37,103,817	$ 9,604,757

Table 5 summarizes the estimated annual savings per year by each series of the Prior Bonds and in aggregate.

TABLE 5
Annual Debt Service Savings
Tax Allocation Refunding Bonds, Series 2015A & 2015B (Taxable)
Allocated by Series of Prior Bonds & Total
Rates as of April 16, 2015; Delivery Date of August 12, 2015

Period Ending	2003 Senior TABs	2004 Senior TABs	2002 Subordinate TABs	2003 Subordinate TABs	Total
9/1/16	$ 28,662	$ 90,439	$ 468,967	$ 354,655	$ 942,723
9/1/17	31,450	88,191	461,800	358,546	939,987
9/1/18	30,050	89,991	461,775	356,981	938,797
9/1/19		174,635	463,450	357,854	995,939
9/1/20		175,510	463,825	354,976	994,311
9/1/21		173,535	462,875	357,116	993,526
9/1/22		173,225	462,300	358,987	994,512
9/1/23		171,825	464,913	354,770	991,508
9/1/24		170,750	465,425	354,930	991,105
9/1/25			463,800	358,550	822,350
Total	$ 90,162	$ 1,308,101	$ 4,639,129	$ 3,567,364	$ 9,604,757

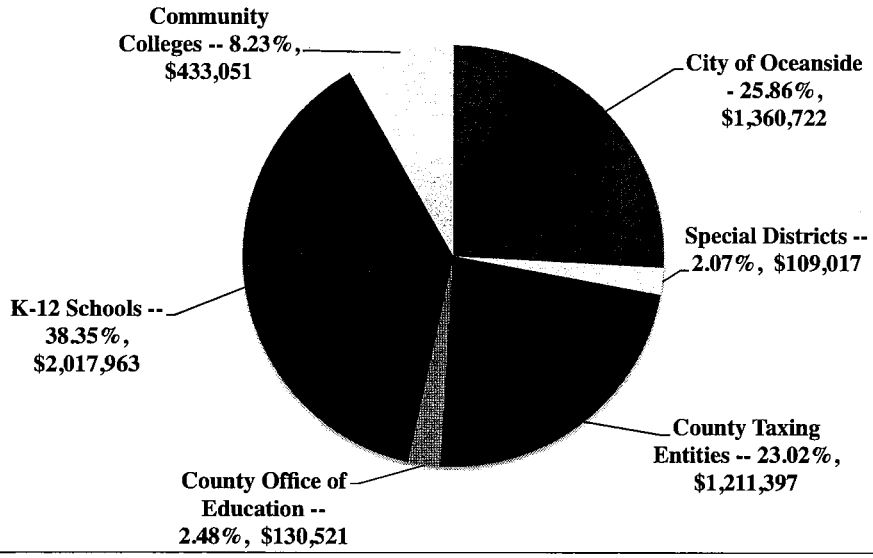
Table 6 provides an estimate of annual savings by taxing entity.



Source for Allocation Percentages: ROPS Redevelopment Property Tax Trust Fund (RPTTF) Allocation San Diego County

Table 7 estimates the Net Present Value Savings by Taxing Entity in 2015 dollars derived from the proposed 2015 Bonds.

Table 7
Estimated Net Present Value Savings by Taxing Entity (2015 Dollars)
Proposed 2015 Bonds



Source for Allocation Percentages: ROPS Redevelopment Property Tax Trust Fund (RPTTF) Allocation San Diego County

Compliance with Refunding Requirements under the Dissolution Act.

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

Refunding Requirement under Dissolution Act	Compliance Discussion
34177.5(a)(1)(A). The total interest cost plus the principal amount to maturity on the refunding bonds shall not exceed the total remaining interest cost and principal to maturity on the bonds to be refunded	Table 4 and 5 demonstrate that for each series of Prior Bonds to be refunded and in aggregate that the allocated 2015 Bond debt service is less than Prior Bond debt service in each year.
Section 34177.5(a)(1)(B). The principal amount of the refunding bonds shall not exceed the amount required to defease the refunded bonds, to establish customary debt service reserves and to pay related costs of issuance.	Table 2 demonstrates that proceeds of the 2015 Bonds allocated to each series of the Prior Bonds to be refunded are used to defease the Prior Bonds, pay costs of issuance, and fund bond a reserve fund surety.
Section 34177.5(h) requires the Successor Agency to make diligent efforts to ensure that the lowest long-term cost financing is obtained.	In order to achieve the lowest long-term cost of financing, the 2015 Bonds are secured by a Statutory Pledge of monies to deposited in the RPTTF. This approach allows all outstanding bonds to be issued on a senior priority basis, lowering the cost of borrowing since most of the savings is attributable to the former subordinate lien bonds.

Section 34177.5(h) states that the financing shall not provide for any bullets or spikes and shall not use variable rates.	The 2015 Bonds are structured to produce substantially level annual savings relative to debt service of the Prior Bonds. Interest rates are fixed to their maturity dates and the True Interest Cost allocated for each series of Prior Bonds is estimated under Table 3.
Section 34177.5(h) further requires the Successor Agency to use an independent financial advisor in developing financing proposals and make the work products of the financial advisor available to the Department of Finance at its request.	The Successor Agency retained CSG Advisors Incorporated to serve as financial advisor to the Successor Agency. CSG has reviewed the proposal prepared by the Underwriter and confirm that it represents the optimal approach to achieve savings for the Successor Agency as it pursues refinancing at this time. Finally, CSG has prepared this memo for the DOF and can provide additional information upon DOF request.

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

ATTACHMENT A – Bond Cash Flows prepared by Stifel, Nicolaus & Company Incorporated, dated May 15, 2015.

cc: Michele Lund, Treasury Manager, City of Oceanside
Brian Forbath, Esq., Stradling, Yocca, Carlson & Rauth, Bond Counsel to the Successor Agency
Sara Oberlies Brown, Underwriter, Stifel, Nicolaus & Company Incorporated

ATTACHMENT A

SOURCES AND USES OF FUNDS

Successor Agency to the Oceanside Community Development Commission
2015 Consolidated TABs Refunding (AA-)

****

Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service

****

Dated Date	08/12/2015
Delivery Date	08/12/2015

Sources:	Tax Exempt Series A	Taxable Series B	Total
Bond Proceeds:			
Par Amount	19,990,000.00	9,905,000.00	29,895,000.00
Premium	3,055,817.00		3,055,817.00
	23,045,817.00	9,905,000.00	32,950,817.00
Other Sources of Funds:			
Prior Debt Service Fund (3)	2,603,683.13	1,169,770.00	3,773,453.13
Prior Debt Service Reserve Fund (2)	1,734,337.50	1,506,302.50	3,240,640.00
	4,338,020.63	2,676,072.50	7,014,093.13
	27,383,837.63	12,581,072.50	39,964,910.13

Uses:	Tax Exempt Series A	Taxable Series B	Total
Refunding Escrow Deposits:			
Cash Deposit	970.62	513.75	1,484.37
Open Market Purchases	27,132,031.18	12,453,943.51	39,585,974.69
	27,133,001.80	12,454,457.26	39,587,459.06
Delivery Date Expenses:			
Cost of Issuance	133,734.74	66,265.26	200,000.00
Underwriter's Discount	86,906.82	42,924.43	129,831.25
Surety Reseve (4)	29,985.00	14,857.50	44,842.50
	250,626.56	124,047.19	374,673.75
Other Uses of Funds:			
Additional Proceeds	209.27	2,568.05	2,777.32
	27,383,837.63	12,581,072.50	39,964,910.13

Notes:

The TE financing was evaluated at interest rate spreads to the generic "AAA" municipal yield index ('MMD') of +30 basis points beginning in 2016, increasing to +60 basis points in 2025. The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

The Taxable financing was evaluated at interest rate spreads to the US Treasury yield curve of +20 basis points beginning in 2016, increasing to +145 basis points in 2025. The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

(1) Assumes call notice is given to bond holders within adequate number of days
(2) Prior Debt Service Reserve is estimate from OS
(3) Prior Debt Service Fund is included as source and represents 9/1/15 debt service payment
(4) Debt Service Reserve Requirement met with surety reserve - surety cost estimated at 1.5% of reserve requirement

ATTACHMENT A

SOURCES AND USES OF FUNDS

Successor Agency to the Oceanside Community Development Commission
2015 Consolidated TABs Refunding (AA-)
****
Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service
****

Dated Date	08/12/2015
Delivery Date	08/12/2015

Sources:	City of Oceanside 2015 Refunding of 2003 Senior TABs	City of Oceanside 2015 Refunding of 2004 Senior TABs	City of Oceanside 2015 Refunding of 2002 Subordinate TABs	City of Oceanside 2015 Refunding of 2003 Subordinate TABs	Total
Bond Proceeds:					
Par Amount	1,825,000.00	8,375,000.00	9,790,000.00	9,905,000.00	29,895,000.00
Premium	130,314.65	1,390,560.70	1,534,941.65		3,055,817.00
	1,955,314.65	9,765,560.70	11,324,941.65	9,905,000.00	32,950,817.00
Other Sources of Funds:					
Prior Debt Service Fund (3)	639,662.50	620,170.63	1,343,850.00	1,169,770.00	3,773,453.13
Prior Debt Service Reserve Fund (2)			1,734,337.50	1,506,302.50	3,240,640.00
	639,662.50	620,170.63	3,078,187.50	2,676,072.50	7,014,093.13
	2,594,977.15	10,385,731.33	14,403,129.15	12,581,072.50	39,964,910.13

Uses:	City of Oceanside 2015 Refunding of 2003 Senior TABs	City of Oceanside 2015 Refunding of 2004 Senior TABs	City of Oceanside 2015 Refunding of 2002 Subordinate TABs	City of Oceanside 2015 Refunding of 2003 Subordinate TABs	Total
Refunding Escrow Deposits:					
Cash Deposit	37.50	617.50	315.62	513.75	1,484.37
Open Market Purchases	2,569,560.48	10,279,294.99	14,283,175.71	12,453,943.51	39,585,974.69
	2,569,597.98	10,279,912.49	14,283,491.33	12,454,457.26	39,587,459.06
Delivery Date Expenses:					
Cost of Issuance	12,209.40	56,029.44	65,495.90	66,265.26	200,000.00
Underwriter's Discount	6,330.07	37,704.93	42,871.82	42,924.43	129,831.25
Surety Reseve (4)	2,737.50	12,562.50	14,685.00	14,857.50	44,842.50
	21,276.97	106,296.87	123,052.72	124,047.19	374,673.75
Other Uses of Funds:					
Additional Proceeds	4,102.20	-478.03	-3,414.90	2,568.05	2,777.32
	2,594,977.15	10,385,731.33	14,403,129.15	12,581,072.50	39,964,910.13

Notes:
The TE financing was evaluated at interest rate spreads to the generic "AAA" municipal yield index ('MMD') of +30 basis points beginning in 2016, increasing to +60 basis points in 2025. The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

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(1) Assumes call notice is given to bond holders within adequate number of days
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(3) Prior Debt Service Fund is included as source and represents 9/1/15 debt service payment
(4) Debt Service Reserve Requirement met with surety reserve - surety cost estimated at 1.5% of reserve requirement

ATTACHMENT A

SUMMARY OF REFUNDING RESULTS

Successor Agency to the Oceanside Community Development Commission
2015 Consolidated TABs Refunding (AA-)
****
Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service
****

	Tax Exempt Series A	Taxable Series B	Total
Dated Date	08/12/2015	08/12/2015	08/12/2015
Delivery Date	08/12/2015	08/12/2015	08/12/2015
Arbitrage Yield	2.300159%	2.300159%	2.300159%
Escrow Yield	0.301563%	0.301563%	0.301563%
Value of Negative Arbitrage	4,489.29	2,060.64	6,549.93
Bond Par Amount	19,990,000.00	9,905,000.00	29,895,000.00
True Interest Cost	2.148605%	2.880886%	2.377718%
Net Interest Cost	2.336982%	2.864293%	2.513062%
Average Coupon	4.952416%	2.788865%	4.229960%
Average Life	5.679	5.745	5.701
Par amount of refunded bonds	26,475,000.00	12,120,000.00	38,595,000.00
Average coupon of refunded bonds	5.120772%	5.624152%	5.284612%
Average life of refunded bonds	5.302	5.589	5.392
PV of prior debt	30,695,687.02	14,479,724.16	45,175,411.18
Net PV Savings	3,606,357.43	1,656,315.42	5,262,672.85
Percentage savings of refunded bonds	13.621747%	13.665969%	13.635634%
Percentage savings of refunding bonds	18.040808%	16.722013%	17.603856%

Notes:

The TE financing was evaluated at interest rate spreads to the generic "AAA" municipal yield index ('MMD') of +30 basis points beginning in 2016, increasing to +60 basis points in 2025. The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

The Taxable financing was evaluated at interest rate spreads to the US Treasury yield curve of +20 basis points beginning in 2016, increasing to +145 basis points in 2025. The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

ATTACHMENT A

SUMMARY OF REFUNDING RESULTS

Successor Agency to the Oceanside Community Development Commission
2015 Consolidated TABs Refunding (AA-)
****
Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service
****

	City of Oceanside 2015 Refunding of 2003 Senior TABs	City of Oceanside 2015 Refunding of 2004 Senior TABs	City of Oceanside 2015 Refunding of 2002 Subordinate TABs	City of Oceanside 2015 Refunding of 2003 Subordinate TABs	Total
Dated Date	08/12/2015	08/12/2015	08/12/2015	08/12/2015	08/12/2015
Delivery Date	08/12/2015	08/12/2015	08/12/2015	08/12/2015	08/12/2015
Arbitrage Yield	2.300159%	2.300159%	2.300159%	2.300159%	2.300159%
Escrow Yield	0.301536%	0.301575%	0.301560%	0.301564%	0.301563%
Value of Negative Arbitrage	425.17	1,700.81	2,363.31	2,060.64	6,549.93
Bond Par Amount	1,825,000.00	8,375,000.00	9,790,000.00	9,905,000.00	29,895,000.00
True Interest Cost	1.259417%	2.156720%	2.199375%	2.880886%	2.377718%
Net Interest Cost	1.248339%	2.346826%	2.399254%	2.864293%	2.513062%
Average Coupon	4.509958%	4.979763%	4.957160%	2.788865%	4.229960%
Average Life	2.083	6.135	5.958	5.745	5.701
Par amount of refunded bonds	2,520,000.00	10,060,000.00	13,895,000.00	12,120,000.00	38,595,000.00
Average coupon of refunded bonds	3.998077%	4.444258%	5.689481%	5.624152%	5.284612%
Average life of refunded bonds	1.606	5.827	5.593	5.589	5.392
PV of prior debt	2,630,905.68	11,412,195.65	16,652,585.68	14,479,724.16	45,175,411.18
Net PV Savings	90,008.46	1,151,667.72	2,364,681.25	1,656,315.42	5,262,672.85
Percentage savings of refunded bonds	3.571764%	11.447989%	17.018217%	13.665969%	13.635634%
Percentage savings of refunding bonds	4.931970%	13.751256%	24.154047%	16.722013%	17.603856%

Notes:

The TE financing was evaluated at interest rate spreads to the generic "AAA" municipal yield index ('MMD') of +30 basis points beginning in 2016, increasing to +60 basis points in 2025. The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

The Taxable financing was evaluated at interest rate spreads to the US Treasury yield curve of +20 basis points beginning in 2016, increasing to +145 basis points in 2025. The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

ATTACHMENT A

BOND PRICING

Successor Agency to the Oceanside Community Development Commission
2015 Consolidated TABs Refunding (AA-)
****
Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service
****

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)	Takedown
Serial Bonds:							
	09/01/2016	1,660,000	4.000%	0.550%	103.616	60,025.60	2.000
	09/01/2017	1,780,000	4.000%	0.910%	106.269	111,588.20	2.000
	09/01/2018	1,855,000	5.000%	1.250%	111.197	207,704.35	3.000
	09/01/2019	1,980,000	5.000%	1.530%	113.584	268,963.20	3.000
	09/01/2020	2,080,000	5.000%	1.700%	115.912	330,969.60	3.000
	09/01/2021	2,190,000	5.000%	1.910%	117.582	385,045.80	3.750
	09/01/2022	2,295,000	5.000%	2.140%	118.629	427,535.55	3.750
	09/01/2023	2,410,000	5.000%	2.270%	119.987	481,686.70	3.750
	09/01/2024	2,530,000	5.000%	2.450%	120.589	520,901.70	3.750
	09/01/2025	1,210,000	5.000%	2.550%	121.603	261,396.30	3.750
		19,990,000				3,055,817.00	
Taxable Serial Bonds:							
	09/01/2016	900,000	0.700%	0.700%	100.000		2.000
	09/01/2017	920,000	1.200%	1.200%	100.000		2.000
	09/01/2018	930,000	1.610%	1.610%	100.000		3.000
	09/01/2019	945,000	2.060%	2.060%	100.000		3.000
	09/01/2020	970,000	2.360%	2.360%	100.000		3.000
	09/01/2021	990,000	2.640%	2.640%	100.000		3.750
	09/01/2022	1,015,000	2.890%	2.890%	100.000		3.750
	09/01/2023	1,045,000	3.100%	3.100%	100.000		3.750
	09/01/2024	1,080,000	3.250%	3.250%	100.000		3.750
	09/01/2025	1,110,000	3.350%	3.350%	100.000		3.750
		9,905,000					
		29,895,000				3,055,817.00	

Dated Date	08/12/2015	
Delivery Date	08/12/2015	
First Coupon	03/01/2016	
Par Amount	29,895,000.00	
Premium	3,055,817.00	
Production	32,950,817.00	110.221833%
Underwriter's Discount	-129,831.25	-0.434291%
Purchase Price	32,820,985.75	109.787542%
Accrued Interest		
Net Proceeds	32,820,985.75	

Notes:

The TE financing was evaluated at interest rate spreads to the generic "AAA" municipal yield index ('MMD') of +30 basis points beginning in 2016, increasing to +60 basis points in 2025. The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

The Taxable financing was evaluated at interest rate spreads to the US Treasury yield curve of +20 basis points beginning in 2016, increasing to +145 basis points in 2025. The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

ATTACHMENT A

SAVINGS

Successor Agency to the Oceanside Community Development Commission
2015 Consolidated TABs Refunding (AA-)
****
Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service
****

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 08/12/2015 @ 2.3001586%
09/01/2015	3,773,453.13	3,773,453.13				
09/01/2016	4,765,973.76		4,765,973.76	3,823,250.70	942,723.06	923,267.65
09/01/2017	4,767,208.76		4,767,208.76	3,827,221.50	939,987.26	900,113.98
09/01/2018	4,768,778.76		4,768,778.76	3,829,981.50	938,797.26	878,297.00
09/01/2019	4,858,197.50		4,858,197.50	3,862,258.50	995,939.00	910,244.38
09/01/2020	4,863,102.50		4,863,102.50	3,868,791.50	994,311.00	887,922.61
09/01/2021	4,865,425.00		4,865,425.00	3,871,899.50	993,525.50	866,857.68
09/01/2022	4,860,775.00		4,860,775.00	3,866,263.50	994,511.50	847,783.21
09/01/2023	4,858,687.50		4,858,687.50	3,867,180.00	991,507.50	825,790.18
09/01/2024	4,860,390.00		4,860,390.00	3,869,285.00	991,105.00	806,462.06
09/01/2025	3,240,035.00		3,240,035.00	2,417,685.00	822,350.00	653,796.77
	50,482,026.91	3,773,453.13	46,708,573.78	37,103,816.70	9,604,757.08	8,500,535.53

Savings Summary

PV of savings from cash flow	8,500,535.53
Less: Prior funds on hand	-3,240,640.00
Plus: Refunding funds on hand	2,777.32
Net PV Savings	5,262,672.85

Notes:
The TE financing was evaluated at interest rate spreads to the generic "AAA" municipal yield index ('MMD') of +30 basis points beginning in 2016, increasing to +60 basis points in 2025. The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

The Taxable financing was evaluated at interest rate spreads to the US Treasury yield curve of +20 basis points beginning in 2016, increasing to +145 basis points in 2025. The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

ATTACHMENT A

SUMMARY OF BONDS REFUNDED

Successor Agency to the Oceanside Community Development Commission
2015 Consolidated TABs Refunding (AA-)

****

Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service

****

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Subordinate 2002 Tax Allocation Bonds, 2002SUBT:					
SERIALS	09/01/2015	5.250%	955,000.00		
	09/01/2016	5.250%	1,005,000.00	09/01/2015	100.000
	09/01/2017	5.500%	1,055,000.00	09/01/2015	100.000
	09/01/2018	5.500%	1,115,000.00	09/01/2015	100.000
	09/01/2019	5.500%	1,175,000.00	09/01/2015	100.000
	09/01/2020	5.500%	1,240,000.00	09/01/2015	100.000
TERM	09/01/2025	5.750%	7,350,000.00	09/01/2015	100.000
			13,895,000.00		
Subordinate 2003 Tax Allocation Bonds, 2003SUBT:					
SERIALS	09/01/2015	4.700%	150,000.00		
	09/01/2016	4.750%	155,000.00	09/01/2015	100.000
	09/01/2017	4.900%	165,000.00	09/01/2015	100.000
E_TERM17	09/01/2017	5.200%	685,000.00		
	09/01/2017	5.200%	1,480,000.00	09/01/2015	100.000
SERIALS	09/01/2018	5.000%	170,000.00	09/01/2015	100.000
	09/01/2019	5.100%	180,000.00	09/01/2015	100.000
	09/01/2020	5.125%	190,000.00	09/01/2015	100.000
	09/01/2021	5.200%	200,000.00	09/01/2015	100.000
TERM25	09/01/2025	5.500%	910,000.00	09/01/2015	100.000
E_TERM25	09/01/2025	5.700%	7,835,000.00	09/01/2015	100.000
			12,120,000.00		
Senior 2003 Refunding Tax Allocation Bonds, 2003TABS:					
SERIALS	09/01/2015	3.750%	590,000.00		
	09/01/2016	4.000%	615,000.00	09/01/2015	100.000
	09/01/2017	4.000%	645,000.00	09/01/2015	100.000
	09/01/2018	4.000%	670,000.00	09/01/2015	100.000
			2,520,000.00		
Senior 2004 Refunding Tax Allocation Bonds, 2004TABS:					
SERIAL	09/01/2015	4.000%	400,000.00		
	09/01/2016	4.000%	415,000.00	09/01/2015	100.000
	09/01/2017	4.000%	425,000.00	09/01/2015	100.000
	09/01/2018	4.125%	445,000.00	09/01/2015	100.000
	09/01/2019	4.250%	1,250,000.00	09/01/2015	100.000
	09/01/2020	4.500%	1,305,000.00	09/01/2015	100.000
	09/01/2021	4.400%	1,365,000.00	09/01/2015	100.000
	09/01/2022	4.500%	1,420,000.00	09/01/2015	100.000
	09/01/2023	4.500%	1,485,000.00	09/01/2015	100.000
	09/01/2024	4.500%	1,550,000:00	09/01/2015	100.000
			10,060,000.00		
			38,595,000.00		

Notes:

The TE financing was evaluated at interest rate spreads to the generic "AAA" municipal yield index ('MMD') of +30 basis points beginning in 2016, increasing to +60 basis points in 2025. The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

The Taxable financing was evaluated at interest rate spreads to the US Treasury yield curve of +20 basis points beginning in 2016, increasing to +145 basis points in 2025. The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

ATTACHMENT A

BOND DEBT SERVICE

Successor Agency to the Oceanside Community Development Commission
2015 Consolidated TABs Refunding (AA-)
****
Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service
****

Period Ending	Principal	Coupon	Interest	Debt Service
09/01/2016	2,560,000	** %	1,263,250.70	3,823,250.70
09/01/2017	2,700,000	** %	1,127,221.50	3,827,221.50
09/01/2018	2,785,000	** %	1,044,981.50	3,829,981.50
09/01/2019	2,925,000	** %	937,258.50	3,862,258.50
09/01/2020	3,050,000	** %	818,791.50	3,868,791.50
09/01/2021	3,180,000	** %	691,899.50	3,871,899.50
09/01/2022	3,310,000	** %	556,263.50	3,866,263.50
09/01/2023	3,455,000	** %	412,180.00	3,867,180.00
09/01/2024	3,610,000	** %	259,285.00	3,869,285.00
09/01/2025	2,320,000	** %	97,685.00	2,417,685.00
	29,895,000		7,208,816.70	37,103,816.70

Notes:

The TE financing was evaluated at interest rate spreads to the generic "AAA" municipal yield index ('MMD') of +30 basis points beginning in 2016, increasing to +60 basis points in 2025. The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

The Taxable financing was evaluated at interest rate spreads to the US Treasury yield curve of +20 basis points beginning in 2016, increasing to +145 basis points in 2025. The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

ATTACHMENT A

BOND DEBT SERVICE

Successor Agency to the Oceanside Community Development Commission
2015 Consolidated TABs Refunding (AA-)
****
Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service
****

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2016			663,289.95	663,289.95	
09/01/2016	2,560,000	** %	599,960.75	3,159,960.75	3,823,250.70
03/01/2017			563,610.75	563,610.75	
09/01/2017	2,700,000	** %	563,610.75	3,263,610.75	3,827,221.50
03/01/2018			522,490.75	522,490.75	
09/01/2018	2,785,000	** %	522,490.75	3,307,490.75	3,829,981.50
03/01/2019			468,629.25	468,629.25	
09/01/2019	2,925,000	** %	468,629.25	3,393,629.25	3,862,258.50
03/01/2020			409,395.75	409,395.75	
09/01/2020	3,050,000	** %	409,395.75	3,459,395.75	3,868,791.50
03/01/2021			345,949.75	345,949.75	
09/01/2021	3,180,000	** %	345,949.75	3,525,949.75	3,871,899.50
03/01/2022			278,131.75	278,131.75	
09/01/2022	3,310,000	** %	278,131.75	3,588,131.75	3,866,263.50
03/01/2023			206,090.00	206,090.00	
09/01/2023	3,455,000	** %	206,090.00	3,661,090.00	3,867,180.00
03/01/2024			129,642.50	129,642.50	
09/01/2024	3,610,000	** %	129,642.50	3,739,642.50	3,869,285.00
03/01/2025			48,842.50	48,842.50	
09/01/2025	2,320,000	** %	48,842.50	2,368,842.50	2,417,685.00
	29,895,000		7,208,816.70	37,103,816.70	37,103,816.70

Notes:

The TE financing was evaluated at interest rate spreads to the generic "AAA" municipal yield index ('MMD') of +30 basis points beginning in 2016, increasing to +60 basis points in 2025. The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

The Taxable financing was evaluated at interest rate spreads to the US Treasury yield curve of +20 basis points beginning in 2016, increasing to +145 basis points in 2025. The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

ATTACHMENT A

ESCROW REQUIREMENTS

Successor Agency to the Oceanside Community Development Commission
2015 Consolidated TABs Refunding (AA-)
****
Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service
****

Period Ending	Principal	Interest	Principal Redeemed	Total
09/01/2015	2,780,000.00	993,453.13	35,815,000.00	39,588,453.13
	2,780,000.00	993,453.13	35,815,000.00	39,588,453.13

Notes:
The TE financing was evaluated at interest rate spreads to the generic "AAA" municipal yield index ('MMD') of +30 basis points beginning in 2016, increasing to +60 basis points in 2025. The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

The Taxable financing was evaluated at interest rate spreads to the US Treasury yield curve of +20 basis points beginning in 2016, increasing to +145 basis points in 2025. The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

ATTACHMENT A

SOURCES AND USES OF FUNDS

Successor Agency to the Oceanside Community Development Commission
Tax Exempt Series A

****

Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service

****

Dated Date	08/12/2015
Delivery Date	08/12/2015

Sources:	
Bond Proceeds:	
Par Amount	19,990,000.00
Premium	3,055,817.00
	23,045,817.00
Other Sources of Funds:	
Prior Debt Service Fund (3)	2,603,683.13
Prior Debt Service Reserve Fund (2)	1,734,337.50
	4,338,020.63
	27,383,837.63

Uses:	
Refunding Escrow Deposits:	
Cash Deposit	970.62
Open Market Purchases	27,132,031.18
	27,133,001.80
Delivery Date Expenses:	
Cost of Issuance	133,734.74
Underwriter's Discount	86,906.82
Surety Reseve (4)	29,985.00
	250,626.56
Other Uses of Funds:	
Additional Proceeds	209.27
	27,383,837.63

ATTACHMENT A

SUMMARY OF REFUNDING RESULTS

Successor Agency to the Oceanside Community Development Commission
Tax Exempt Series A
****
Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service
****

Dated Date	08/12/2015
Delivery Date	08/12/2015
Arbitrage yield	2.300159%
Escrow yield	0.301563%
Value of Negative Arbitrage	4,489.29
Bond Par Amount	19,990,000.00
True Interest Cost	2.148605%
Net Interest Cost	2.336982%
Average Coupon	4.952416%
Average Life	5.679
Par amount of refunded bonds	26,475,000.00
Average coupon of refunded bonds	5.120772%
Average life of refunded bonds	5.302
PV of prior debt to 08/12/2015 @ 2.300159%	30,695,687.02
Net PV Savings	3,606,357.43
Percentage savings of refunded bonds	13.621747%
Percentage savings of refunding bonds	18.040808%

ATTACHMENT A

SAVINGS

Successor Agency to the Oceanside Community Development Commission
Tax Exempt Series A

****

Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service

****

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 08/12/2015 @ 2.3001586%
09/01/2015	2,603,683.13	2,603,683.13				
09/01/2016	3,264,103.76		3,264,103.76	2,676,035.84	588,067.92	574,988.03
09/01/2017	3,260,141.26		3,260,141.26	2,678,700.00	581,441.26	556,072.07
09/01/2018	3,264,316.26		3,264,316.26	2,682,500.00	581,816.26	543,689.69
09/01/2019	3,352,835.00		3,352,835.00	2,714,750.00	638,085.00	582,612.17
09/01/2020	3,355,085.00		3,355,085.00	2,715,750.00	639,335.00	570,456.38
09/01/2021	3,358,160.00		3,358,160.00	2,721,750.00	636,410.00	554,896.26
09/01/2022	3,352,775.00		3,352,775.00	2,717,250.00	635,525.00	541,469.78
09/01/2023	3,354,237.50		3,354,237.50	2,717,500.00	636,737.50	530,097.59
09/01/2024	3,353,175.00		3,353,175.00	2,717,000.00	636,175.00	517,511.48
09/01/2025	1,734,300.00		1,734,300.00	1,270,500.00	463,800.00	368,692.19
	34,252,811.91	2,603,683.13	31,649,128.78	25,611,735.84	6,037,392.94	5,340,485.66

Savings Summary

PV of savings from cash flow	5,340,485.66
Less: Prior funds on hand	-1,734,337.50
Plus: Refunding funds on hand	209.27
Net PV Savings	3,606,357.43

ATTACHMENT A

BOND DEBT SERVICE

Successor Agency to the Oceanside Community Development Commission
Tax Exempt Series A

****

Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service

****

Period Ending	Principal	Coupon	Interest	Debt Service
09/01/2016	1,660,000	4.000%	1,016,035.84	2,676,035.84
09/01/2017	1,780,000	4.000%	898,700.00	2,678,700.00
09/01/2018	1,855,000	5.000%	827,500.00	2,682,500.00
09/01/2019	1,980,000	5.000%	734,750.00	2,714,750.00
09/01/2020	2,080,000	5.000%	635,750.00	2,715,750.00
09/01/2021	2,190,000	5.000%	531,750.00	2,721,750.00
09/01/2022	2,295,000	5.000%	422,250.00	2,717,250.00
09/01/2023	2,410,000	5.000%	307,500.00	2,717,500.00
09/01/2024	2,530,000	5.000%	187,000.00	2,717,000.00
09/01/2025	1,210,000	5.000%	60,500.00	1,270,500.00
	19,990,000		5,621,735.84	25,611,735.84

ATTACHMENT A

BOND DEBT SERVICE

Successor Agency to the Oceanside Community Development Commission
Tax Exempt Series A

****

Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service

****

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2016			533,485.84	533,485.84	
09/01/2016	1,660,000	4.000%	482,550.00	2,142,550.00	2,676,035.84
03/01/2017			449,350.00	449,350.00	
09/01/2017	1,780,000	4.000%	449,350.00	2,229,350.00	2,678,700.00
03/01/2018			413,750.00	413,750.00	
09/01/2018	1,855,000	5.000%	413,750.00	2,268,750.00	2,682,500.00
03/01/2019			367,375.00	367,375.00	
09/01/2019	1,980,000	5.000%	367,375.00	2,347,375.00	2,714,750.00
03/01/2020			317,875.00	317,875.00	
09/01/2020	2,080,000	5.000%	317,875.00	2,397,875.00	2,715,750.00
03/01/2021			265,875.00	265,875.00	
09/01/2021	2,190,000	5.000%	265,875.00	2,455,875.00	2,721,750.00
03/01/2022			211,125.00	211,125.00	
09/01/2022	2,295,000	5.000%	211,125.00	2,506,125.00	2,717,250.00
03/01/2023			153,750.00	153,750.00	
09/01/2023	2,410,000	5.000%	153,750.00	2,563,750.00	2,717,500.00
03/01/2024			93,500.00	93,500.00	
09/01/2024	2,530,000	5.000%	93,500.00	2,623,500.00	2,717,000.00
03/01/2025			30,250.00	30,250.00	
09/01/2025	1,210,000	5.000%	30,250.00	1,240,250.00	1,270,500.00
	19,990,000		5,621,735.84	25,611,735.84	25,611,735.84

ATTACHMENT A

SOURCES AND USES OF FUNDS

Successor Agency to the Oceanside Community Development Commission
Taxable Series B

****

Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service

****

Dated Date	08/12/2015
Delivery Date	08/12/2015

Sources:	
Bond Proceeds:	
Par Amount	9,905,000.00
Other Sources of Funds:	
Prior Debt Service Reserve Fund (2)	1,506,302.50
Prior Debt Service Fund (3)	1,169,770.00
	2,676,072.50
	12,581,072.50

Uses:	
Refunding Escrow Deposits:	
Cash Deposit	513.75
Open Market Purchases	12,453,943.51
	12,454,457.26
Delivery Date Expenses:	
Cost of Issuance	66,265.26
Underwriter's Discount	42,924.43
Surety Reseve (4)	14,857.50
	124,047.19
Other Uses of Funds:	
Additional Proceeds	2,568.05
	12,581,072.50

ATTACHMENT A

SUMMARY OF REFUNDING RESULTS

Successor Agency to the Oceanside Community Development Commission
Taxable Series B
****
Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service
****

Dated Date	08/12/2015
Delivery Date	08/12/2015
Arbitrage yield	2.300159%
Escrow yield	0.301563%
Value of Negative Arbitrage	2,060.64
Bond Par Amount	9,905,000.00
True Interest Cost	2.880886%
Net Interest Cost	2.864293%
Average Coupon	2.788865%
Average Life	5.745
Par amount of refunded bonds	12,120,000.00
Average coupon of refunded bonds	5.624152%
Average life of refunded bonds	5.589
PV of prior debt to 08/12/2015 @ 2.300159%	14,479,724.16
Net PV Savings	1,656,315.42
Percentage savings of refunded bonds	13.665969%
Percentage savings of refunding bonds	16.722013%

ATTACHMENT A

SAVINGS

Successor Agency to the Oceanside Community Development Commission
Taxable Series B
****
Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service
****

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 08/12/2015 @ 2.3001586%
09/01/2015	1,169,770.00	1,169,770.00				
09/01/2016	1,501,870.00		1,501,870.00	1,147,214.86	354,655.14	348,279.62
09/01/2017	1,507,067.50		1,507,067.50	1,148,521.50	358,546.00	344,041.90
09/01/2018	1,504,462.50		1,504,462.50	1,147,481.50	356,981.00	334,607.30
09/01/2019	1,505,362.50		1,505,362.50	1,147,508.50	357,854.00	327,632.21
09/01/2020	1,508,017.50		1,508,017.50	1,153,041.50	354,976.00	317,466.23
09/01/2021	1,507,265.00		1,507,265.00	1,150,149.50	357,115.50	311,961.42
09/01/2022	1,508,000.00		1,508,000.00	1,149,013.50	358,986.50	306,313.42
09/01/2023	1,504,450.00		1,504,450.00	1,149,680.00	354,770.00	295,692.60
09/01/2024	1,507,215.00		1,507,215.00	1,152,285.00	354,930.00	288,950.58
09/01/2025	1,505,735.00		1,505,735.00	1,147,185.00	358,550.00	285,104.58
	16,229,215.00	1,169,770.00	15,059,445.00	11,492,080.86	3,567,364.14	3,160,049.87

Savings Summary

PV of savings from cash flow	3,160,049.87
Less: Prior funds on hand	-1,506,302.50
Plus: Refunding funds on hand	2,568.05
Net PV Savings	1,656,315.42

ATTACHMENT A

BOND DEBT SERVICE

Successor Agency to the Oceanside Community Development Commission
Taxable Series B

****

Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service

****

Period Ending	Principal	Coupon	Interest	Debt Service
09/01/2016	900,000	0.700%	247,214.86	1,147,214.86
09/01/2017	920,000	1.200%	228,521.50	1,148,521.50
09/01/2018	930,000	1.610%	217,481.50	1,147,481.50
09/01/2019	945,000	2.060%	202,508.50	1,147,508.50
09/01/2020	970,000	2.360%	183,041.50	1,153,041.50
09/01/2021	990,000	2.640%	160,149.50	1,150,149.50
09/01/2022	1,015,000	2.890%	134,013.50	1,149,013.50
09/01/2023	1,045,000	3.100%	104,680.00	1,149,680.00
09/01/2024	1,080,000	3.250%	72,285.00	1,152,285.00
09/01/2025	1,110,000	3.350%	37,185.00	1,147,185.00
	9,905,000		1,587,080.86	11,492,080.86

ATTACHMENT A

BOND DEBT SERVICE

Successor Agency to the Oceanside Community Development Commission
Taxable Series B

****

Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service

****

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2016			129,804.11	129,804.11	
09/01/2016	900,000	0.700%	117,410.75	1,017,410.75	1,147,214.86
03/01/2017			114,260.75	114,260.75	
09/01/2017	920,000	1.200%	114,260.75	1,034,260.75	1,148,521.50
03/01/2018			108,740.75	108,740.75	
09/01/2018	930,000	1.610%	108,740.75	1,038,740.75	1,147,481.50
03/01/2019			101,254.25	101,254.25	
09/01/2019	945,000	2.060%	101,254.25	1,046,254.25	1,147,508.50
03/01/2020			91,520.75	91,520.75	
09/01/2020	970,000	2.360%	91,520.75	1,061,520.75	1,153,041.50
03/01/2021			80,074.75	80,074.75	
09/01/2021	990,000	2.640%	80,074.75	1,070,074.75	1,150,149.50
03/01/2022			67,006.75	67,006.75	
09/01/2022	1,015,000	2.890%	67,006.75	1,082,006.75	1,149,013.50
03/01/2023			52,340.00	52,340.00	
09/01/2023	1,045,000	3.100%	52,340.00	1,097,340.00	1,149,680.00
03/01/2024			36,142.50	36,142.50	
09/01/2024	1,080,000	3.250%	36,142.50	1,116,142.50	1,152,285.00
03/01/2025			18,592.50	18,592.50	
09/01/2025	1,110,000	3.350%	18,592.50	1,128,592.50	1,147,185.00
	9,905,000		1,587,080.86	11,492,080.86	11,492,080.86

ATTACHMENT A

SOURCES AND USES OF FUNDS

Successor Agency to the Oceanside Community Development Commission
City of Oceanside 2015 Refunding of 2003 Senior TABs
****
Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service
****

Dated Date	08/12/2015
Delivery Date	08/12/2015

Sources:	
Bond Proceeds:	
Par Amount	1,825,000.00
Premium	130,314.65
	1,955,314.65
Other Sources of Funds:	
Prior Debt Service Fund (3)	639,662.50
	2,594,977.15

Uses:	
Refunding Escrow Deposits:	
Cash Deposit	37.50
Open Market Purchases	2,569,560.48
	2,569,597.98
Delivery Date Expenses:	
Cost of Issuance	12,209.40
Underwriter's Discount	6,330.07
Surety Reseve (4)	2,737.50
	21,276.97
Other Uses of Funds:	
Additional Proceeds	4,102.20
	2,594,977.15

ATTACHMENT A

SAVINGS

Successor Agency to the Oceanside Community Development Commission
City of Oceanside 2015 Refunding of 2003 Senior TABs
****
Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service
****

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 08/12/2015 @ 2.3001586%
09/01/2015	639,662.50	639,662.50				
09/01/2016	692,200.00		692,200.00	663,537.92	28,662.08	27,921.13
09/01/2017	697,600.00		697,600.00	666,150.00	31,450.00	29,988.14
09/01/2018	696,800.00		696,800.00	666,750.00	30,050.00	27,996.99
	2,726,262.50	639,662.50	2,086,600.00	1,996,437.92	90,162.08	85,906.26

Savings Summary

PV of savings from cash flow	85,906.26
Plus: Refunding funds on hand	4,102.20
Net PV Savings	90,008.46

ATTACHMENT A

SOURCES AND USES OF FUNDS

Successor Agency to the Oceanside Community Development Commission
City of Oceanside 2015 Refunding of 2004 Senior TABs

****

Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service

****

Dated Date	08/12/2015
Delivery Date	08/12/2015

Sources:	
Bond Proceeds:	
Par Amount	8,375,000.00
Premium	1,390,560.70
	9,765,560.70
Other Sources of Funds:	
Prior Debt Service Fund (3)	620,170.63
	10,385,731.33

Uses:	
Refunding Escrow Deposits:	
Cash Deposit	617.50
Open Market Purchases	10,279,294.99
	10,279,912.49
Delivery Date Expenses:	
Cost of Issuance	56,029.44
Underwriter's Discount	37,704.93
Surety Reseve (4)	12,562.50
	106,296.87
Other Uses of Funds:	
Additional Proceeds	-478.03
	10,385,731.33

ATTACHMENT A

SAVINGS

Successor Agency to the Oceanside Community Development Commission
City of Oceanside 2015 Refunding of 2004 Senior TABs
****
Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service
****

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 08/12/2015 @ 2.3001586%
09/01/2015	620,170.63	620,170.63				
09/01/2016	839,341.26		839,341.26	748,902.36	90,438.90	88,111.59
09/01/2017	832,741.26		832,741.26	744,550.00	88,191.26	84,191.51
09/01/2018	835,741.26		835,741.26	745,750.00	89,991.26	83,949.33
09/01/2019	1,622,385.00		1,622,385.00	1,447,750.00	174,635.00	159,200.17
09/01/2020	1,624,260.00		1,624,260.00	1,448,750.00	175,510.00	156,384.52
09/01/2021	1,625,535.00		1,625,535.00	1,452,000.00	173,535.00	151,118.98
09/01/2022	1,620,475.00		1,620,475.00	1,447,250.00	173,225.00	147,436.72
09/01/2023	1,621,575.00		1,621,575.00	1,449,750.00	171,825.00	142,931.85
09/01/2024	1,619,750.00		1,619,750.00	1,449,000.00	170,750.00	138,821.07
	12,861,974.41	620,170.63	12,241,803.78	10,933,702.36	1,308,101.42	1,152,145.75

Savings Summary

PV of savings from cash flow	1,152,145.75
Plus: Refunding funds on hand	-478.03
Net PV Savings	1,151,667.72

ATTACHMENT A

SOURCES AND USES OF FUNDS

Successor Agency to the Oceanside Community Development Commission
City of Oceanside 2015 Refunding of 2002 Subordinate TABs
****
Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service
****

Dated Date	08/12/2015
Delivery Date	08/12/2015

Sources:	
Bond Proceeds:	
Par Amount	9,790,000.00
Premium	1,534,941.65
	11,324,941.65
Other Sources of Funds:	
Prior Debt Service Reserve Fund (2)	1,734,337.50
Prior Debt Service Fund (3)	1,343,850.00
	3,078,187.50
	14,403,129.15

Uses:	
Refunding Escrow Deposits:	
Cash Deposit	315.62
Open Market Purchases	14,283,175.71
	14,283,491.33
Delivery Date Expenses:	
Cost of Issuance	65,495.90
Underwriter's Discount	42,871.82
Surety Reseve (4)	14,685.00
	123,052.72
Other Uses of Funds:	
Additional Proceeds	-3,414.90
	14,403,129.15

ATTACHMENT A

SAVINGS

Successor Agency to the Oceanside Community Development Commission
City of Oceanside 2015 Refunding of 2002 Subordinate TABs
****
Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service
****

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 08/12/2015 @ 2.3001586%
09/01/2015	1,343,850.00	1,343,850.00				
09/01/2016	1,732,562.50		1,732,562.50	1,263,595.56	468,966.94	458,955.31
09/01/2017	1,729,800.00		1,729,800.00	1,268,000.00	461,800.00	441,892.42
09/01/2018	1,731,775.00		1,731,775.00	1,270,000.00	461,775.00	431,743.37
09/01/2019	1,730,450.00		1,730,450.00	1,267,000.00	463,450.00	423,412.00
09/01/2020	1,730,825.00		1,730,825.00	1,267,000.00	463,825.00	414,071.86
09/01/2021	1,732,625.00		1,732,625.00	1,269,750.00	462,875.00	403,777.29
09/01/2022	1,732,300.00		1,732,300.00	1,270,000.00	462,300.00	394,033.06
09/01/2023	1,732,662.50		1,732,662.50	1,267,750.00	464,912.50	387,165.73
09/01/2024	1,733,425.00		1,733,425.00	1,268,000.00	465,425.00	378,690.42
09/01/2025	1,734,300.00		1,734,300.00	1,270,500.00	463,800.00	368,692.19
	18,664,575.00	1,343,850.00	17,320,725.00	12,681,595.56	4,639,129.44	4,102,433.65

Savings Summary

PV of savings from cash flow	4,102,433.65
Less: Prior funds on hand	-1,734,337.50
Plus: Refunding funds on hand	-3,414.90
Net PV Savings	2,364,681.25

ATTACHMENT A

SOURCES AND USES OF FUNDS

Successor Agency to the Oceanside Community Development Commission
City of Oceanside 2015 Refunding of 2003 Subordinate TABs
****
Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service
****

Dated Date	08/12/2015
Delivery Date	08/12/2015

Sources:	
Bond Proceeds:	
Par Amount	9,905,000.00
Other Sources of Funds:	
Prior Debt Service Reserve Fund (2)	1,506,302.50
Prior Debt Service Fund (3)	1,169,770.00
	2,676,072.50
	12,581,072.50

Uses:	
Refunding Escrow Deposits:	
Cash Deposit	513.75
Open Market Purchases	12,453,943.51
	12,454,457.26
Delivery Date Expenses:	
Cost of Issuance	66,265.26
Underwriter's Discount	42,924.43
Surety Reseve (4)	14,857.50
	124,047.19
Other Uses of Funds:	
Additional Proceeds	2,568.05
	12,581,072.50

ATTACHMENT A

SAVINGS

Successor Agency to the Oceanside Community Development Commission
City of Oceanside 2015 Refunding of 2003 Subordinate TABs
****
Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service
****

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 08/12/2015 @ 2.3001586%
09/01/2015	1,169,770.00	1,169,770.00				
09/01/2016	1,501,870.00		1,501,870.00	1,147,214.86	354,655.14	348,279.62
09/01/2017	1,507,067.50		1,507,067.50	1,148,521.50	358,546.00	344,041.90
09/01/2018	1,504,462.50		1,504,462.50	1,147,481.50	356,981.00	334,607.30
09/01/2019	1,505,362.50		1,505,362.50	1,147,508.50	357,854.00	327,632.21
09/01/2020	1,508,017.50		1,508,017.50	1,153,041.50	354,976.00	317,466.23
09/01/2021	1,507,265.00		1,507,265.00	1,150,149.50	357,115.50	311,961.42
09/01/2022	1,508,000.00		1,508,000.00	1,149,013.50	358,986.50	306,313.42
09/01/2023	1,504,450.00		1,504,450.00	1,149,680.00	354,770.00	295,692.60
09/01/2024	1,507,215.00		1,507,215.00	1,152,285.00	354,930.00	288,950.58
09/01/2025	1,505,735.00		1,505,735.00	1,147,185.00	358,550.00	285,104.58
	16,229,215.00	1,169,770.00	15,059,445.00	11,492,080.86	3,567,364.14	3,160,049.87

Savings Summary

PV of savings from cash flow	3,160,049.87
Less: Prior funds on hand	-1,506,302.50
Plus: Refunding funds on hand	2,568.05
Net PV Savings	1,656,315.42

ATTACHMENT A

DISCLAIMER

Successor Agency to the Oceanside Community Development Commission
2015 Consolidated TABs Refunding (AA-)
****
Scale Reflects AA- Underlying; Stand-Alone Surety; Interest Rates as of April 16, 2015
Scenario: Refunding 2003 & 2004 Senior, 2002 Subordinate (Tax Exempt); 2003 Subordinate (Taxable)
Taxable & Tax Exempt debt mirrors structure of existing debt service
****

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Notes:

The TE financing was evaluated at interest rate spreads to the generic "AAA" municipal yield index ('MMD') of +30 basis points beginning in 2016, increasing to +60 basis points in 2025. The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

The Taxable financing was evaluated at interest rate spreads to the US Treasury yield curve of +20 basis points beginning in 2016, increasing to +145 basis points in 2025. The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

Oversight Board to the Successor Agency to the City of Oceanside Redevelopment Agency

Proposed Tax Allocation Refunding Bonds, Series 2015A (Tax-Exempt) & Series 2015B (Taxable)

May 26, 2015

Action Item

- Primary Action Item is to approve Successor Agency issuance of Series 2015A & 2015B Bonds to deliver savings to affected taxing entities

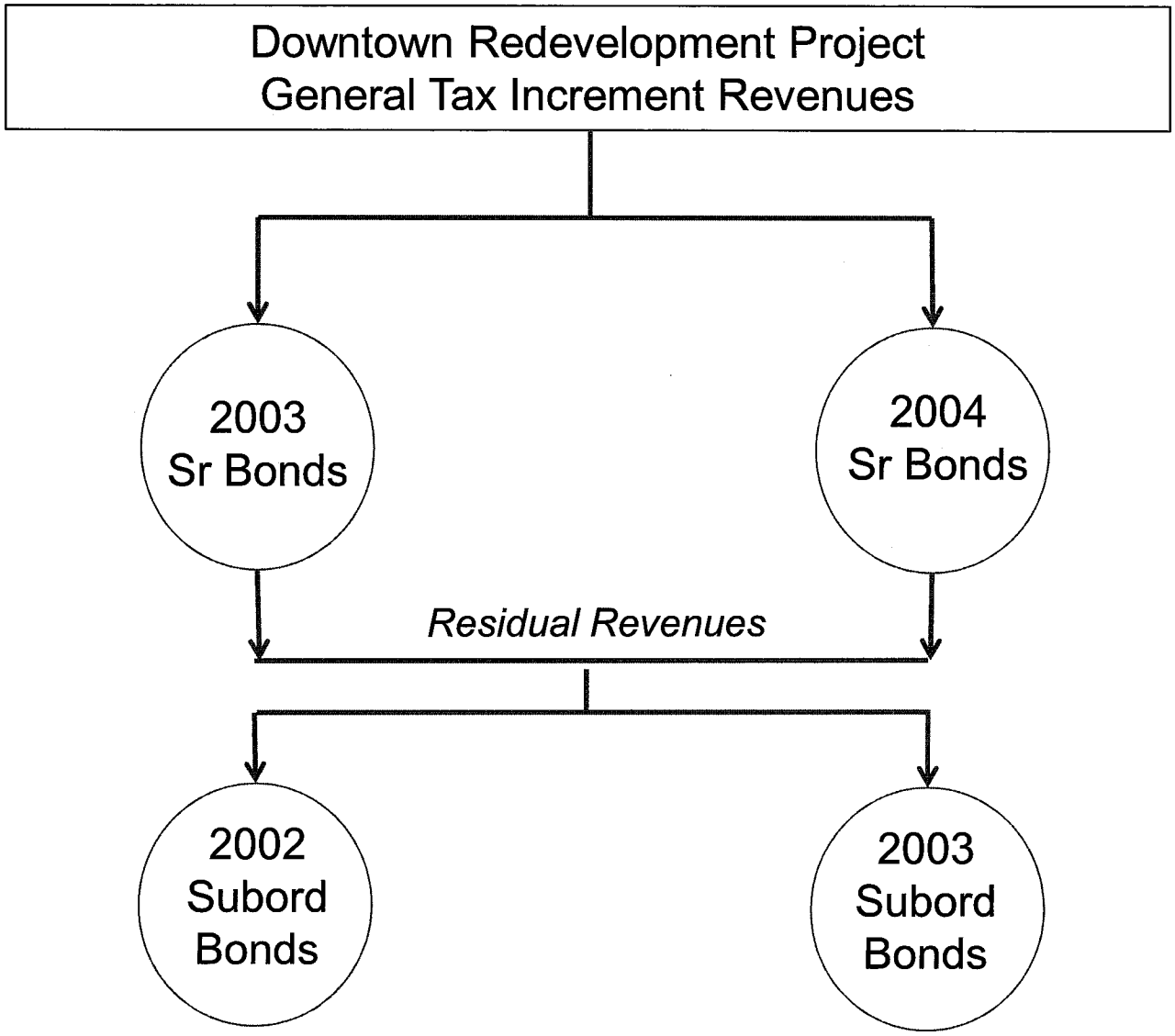
Series	2002	2003	2003	2004
Lien	Subordinate	Senior	Subordinate	Senior
Issuance Date	February 20, 2002	July 23, 2003	December 11, 2003	September 23, 2004
Original Par Amount	$22,030,000	$7,740,000	$17,800,000	$13,510,000
Remaining Par*	$13,895,000	$2,520,000	$12,120,000	$10,060,000
Final Maturity Date	September 1, 2025	September 1, 2018	September 1, 2025	September 1, 2024
Form of Reserve Fund	Cash	Surety (Parity w/2004)	Cash	Surety (Parity w/2003)
Avg Interest Rate Prior Bonds	5.69%	4.00%	5.62%	4.44%
Call Provision	Any date @ Par	Any date @ Par	Any date @ Par	Any date @ Par

* Excludes Sept 1, 2015 Payment

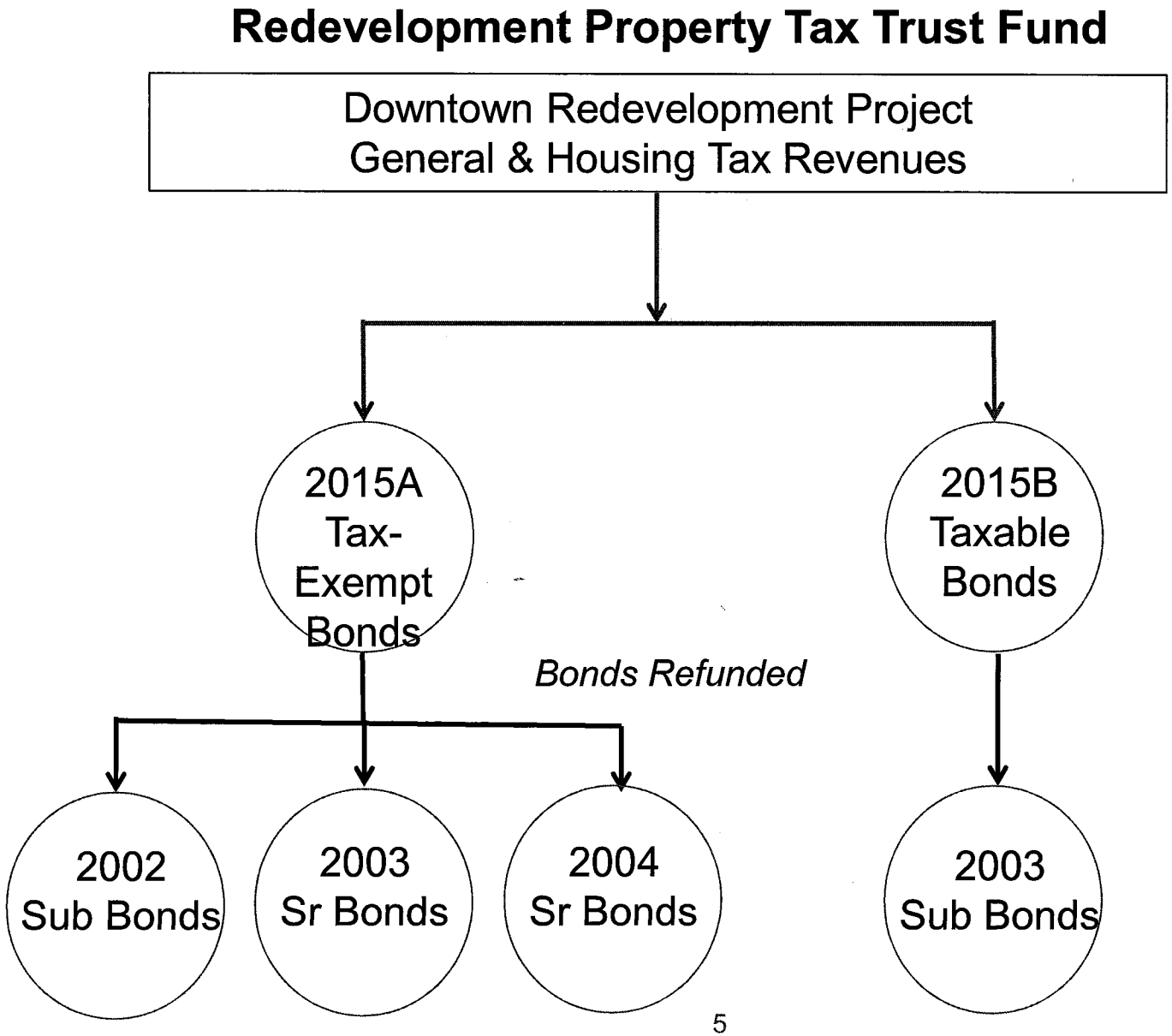
2015 Bonds – Key Structuring Features

- Statutory Pledge of former Downtown Redevelopment Project Revenues
  - Includes former housing set-aside revenues
  - Allows all Prior Bonds to be refunded on a Senior Lien
- Bond insurance & reserve fund surety policy if savings on debt service exceed costs
- Refund 2003 Subordinate Bonds on Taxable basis due to Bond Counsel analysis of that financing
- Refund for level annual savings without extending maturity dates

Existing Lien Structure



Proposed Refunding Lien Structure



Refunding Savings Projections

OLD BONDS	2003 SR BONDS	2004 SR BONDS	2002 SUB BONDS	2003 SUB BONDS	TOTAL
Refunded Par Amount	$ 2,520,000	$ 10,060,000	$ 13,895,000	$ 12,120,000	$ 38,595,000
Old Bond Rate	4.00%	4.44%	5.69%	5.62%	5.28%
Average Life (Years)	1.61	5.83	5.59	5.59	5.39

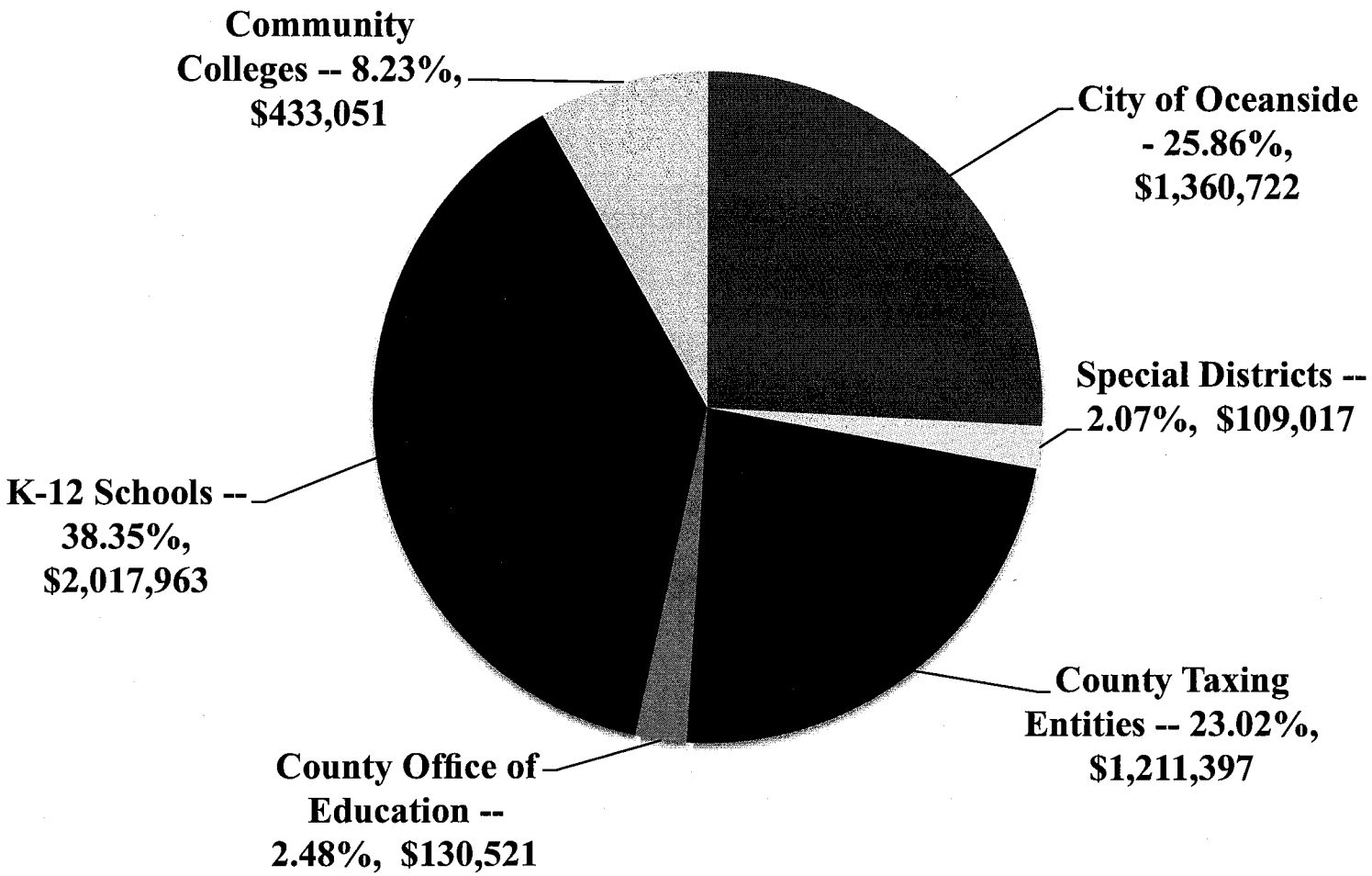
2015 REFUNDING BONDS	2003 SR BONDS	2004 SR BONDS	2002 SUB BONDS	2003 SUB BONDS	TOTAL
Refunding Par Amount	$ 1,825,000	$ 8,375,000	$ 9,790,000	$ 9,905,000	$ 29,895,000
New Bond Rate (including costs)	1.26%	2.16%	2.20%	2.88%	2.38%
Average Life (Years)	2.08	6.14	5.96	5.75	5.70

SAVINGS	2003 SR BONDS	2004 SR BONDS	2002 SUB BONDS	2003 SUB BONDS	TOTAL
Present Value Savings	$ 90,008	$ 1,151,668	$ 2,364,681	$ 1,656,315	$ 5,262,672
PV Savings as a % of Refunded Par	3.57%	11.45%	17.02%	13.67%	13.64%
Avg Annual Savings (2016-2025)	$ 30,054	$ 145,345	$ 463,913	$ 356,736	$ 960,476

- Level Savings in each year per series
- No extended maturities
- New bonds only pay-off of old bonds, assumed reserve fund surety policy premiums, & costs of issuing the new bonds (all savings are net of costs)

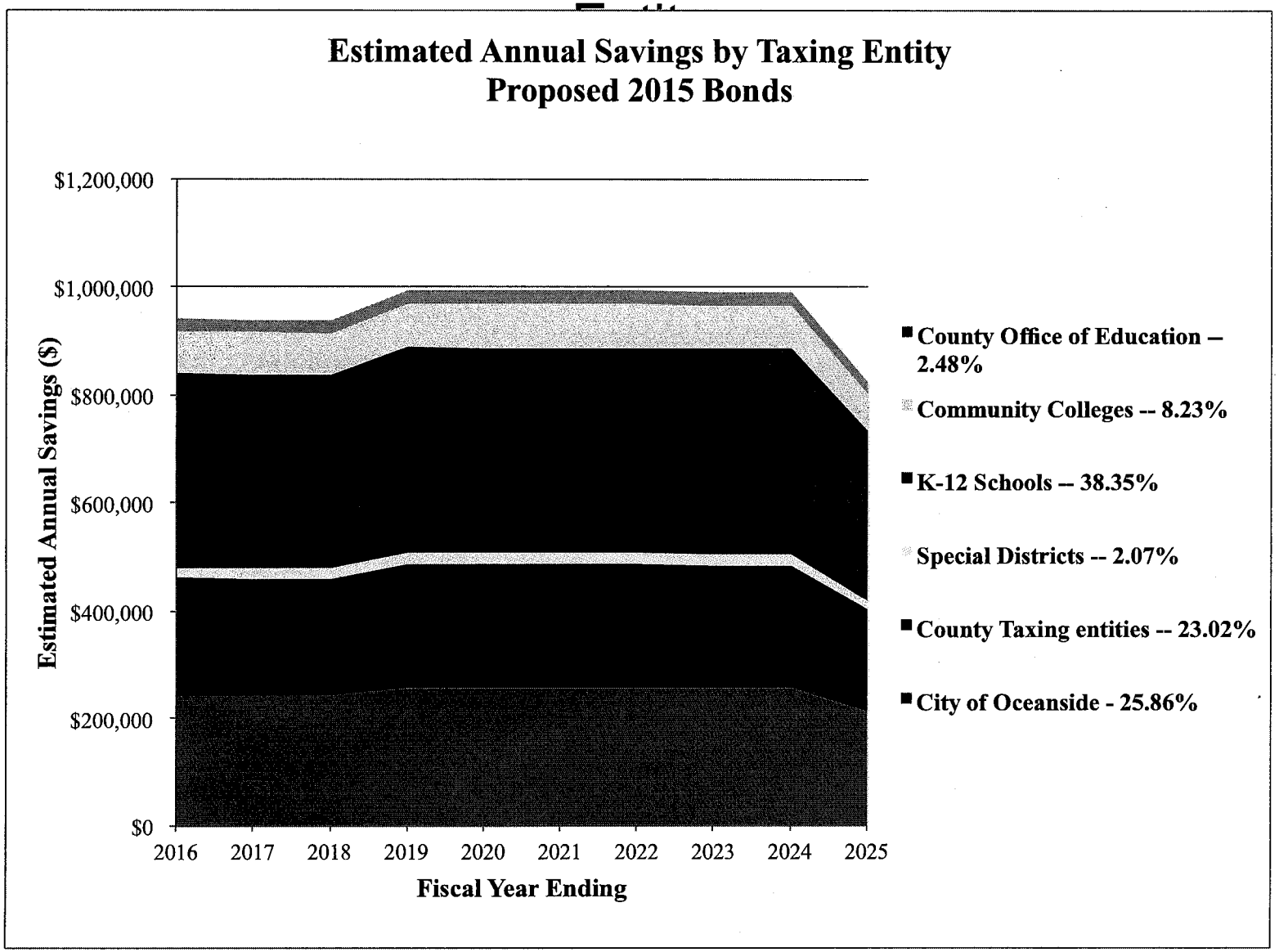
Projected NPV Savings – By Taxing Entity

Estimated Net Present Value Savings by Taxing Entity (2015 Dollars)
Proposed 2015 Bonds



Source for Allocation Percentages: San Diego County

Projected Annual Savings – By Taxing Entity



Source for Allocation Percentages: San Diego County

Financing Process

- Submit package to DOF (Up to 65-day review period) -- **Projected Period Ends Week of July 27**
- Complete Due Diligence and preparation of Preliminary Bond Offering Statement (POS) – **In process**
- Approval by Successor Agency of POS – **Target Date June 24**
- Secure Rating from Standard & Poor's, & bond insurance / reserve fund surety bids – **Early July**
- Post POS for Bond Marketing – **After receiving DOF approval & rating rating & DOF approval**
- Price & Close Bonds – **Likely August**