

**Stanislaus Countywide Successor Agency
Oversight Board**

**AGENDA
Chambers – City of Ceres
November 7, 2019
2:30 P.M.
2701 Fourth Street
Ceres, CA 95307**

- I. Call to Order
- II. Roll Call
- III. Election of the Chair and Vice-Chair of the Stanislaus Countywide Successor Agency Oversight Board for Fiscal Year 2019-2020
- IV. Public Comment Period*
- V. Agenda Items
 - A. Approval of the Minutes for January 14, 2019
 - B. Approval of City of Ceres Successor Agency issuance of Tax Allocation Refunding Bonds
 - C. Consideration of meeting schedule for Stanislaus Countywide Successor Agency Oversight Board
- VI. Report from the Stanislaus County Auditor-Controller
- VII. Adjournment

**PUBLIC COMMENT: Limit comments to five (5) minutes so that everyone may be heard. Matters under the jurisdiction of the Board and not on this posted agenda may be addressed by the general public at this time, and the Board may consider adding the item to the next month's agenda for further consideration. California law prohibits the Board from taking any action on a matter that is not on the posted agenda unless it is determined to be an emergency by the Board.*

REASONABLE ACCOMMODATIONS: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Carol Locke at (209) 525-6593. Notification 72 hours prior to the meeting will enable the Board to make reasonable arrangements to ensure accessibility to this meeting.

**Stanislaus Countywide Successor Agency
Oversight Board**

MINUTES

Monday, January 14, 2019 2:00 P.M.
Chambers, Basement Level
1010 10th Street
Modesto, CA 95354

I. Meeting was called to order at 2:00 p.m.

II. Roll Call

Board Members Present:

Curt Andre
Jim DeMartini (arrived at 2:10 p.m.)
Marisela Garcia
Don Gatti
Diane Sheatsley
Trevor Stewart

Board Members Absent:

Michael Wapnowski

III. Public Comment Period
None.

IV.A **(Garcia/Stewart) (5-0) (DeMartini Absent)** Approved the minutes of 10/01/2018 after amending one correction to spelling of Don Gatti's name.

IV.B.1 **(Stewart/Sheatsley) (5-0) (DeMartini Absent)** Approved the Administrative Budget for Ceres Successor Agency for Fiscal Year 2019-2020

IV.B.2 **(Gatti/Stewart) (5-0) (DeMartini Absent)** Approved the Administrative Budget for Hughson Successor Agency for Fiscal Year 2019-2020

IV.B.3 **(Garcia/Stewart) (5-0) (DeMartini Absent)** Approved the Administrative Budget for Modesto Successor Agency for Fiscal Year 2019-2020

IV.B.4 **(Sheatsley/Stewart) (5-0) (DeMartini Absent)** Approved the Administrative Budget for Newman Successor Agency for Fiscal Year 2019-2020

Board Member Jim DeMartini arrived at 2:10 p.m.

IV.B.5 **(Stewart/Gatti) (6-0)** Approved the Administrative Budget for Oakdale Successor Agency for Fiscal Year 2019-2020 after changing the budget item name "city loan repayment" to "operational costs"

IV.B.6 **(Sheatsley/Garcia) (6-0)** Approved the Administrative Budget for Stanislaus/Ceres Successor Agency for Fiscal Year 2019-2020

- IV.B.7. **(Stewart/DeMartini) (6-0)** Approved the Administrative Budget for Stanislaus County Successor Agency for Fiscal Year 2019-2020
- IV.B.8 **(Andre/Garcia) (6-0)** Approved the Administrative Budget for Turlock Successor Agency for Fiscal Year 2019-2020
- IV.C.1 **(Sheatsley/Garcia) (6-0)** Approved the Recognized Obligation Payment Schedule for Ceres Successor Agency
- IV.C.2 **(Garcia/Stewart) (6-0)** Approved the Recognized Obligation Payment Schedule for Hughson Successor Agency
- IV.C.3 **(Andre/Stewart) (6-0)** Approved the Recognized Obligation Payment Schedule for Modesto Successor Agency
- IV.C.4 **(Sheatsley/Stewart) (6-0)** Approved the Recognized Obligation Payment Schedule for Newman Successor Agency
- IV.C.5 **(Stewart/Sheatsley) (6-0)** Approved the Recognized Obligation Payment Schedule for Oakdale Successor Agency
- IV.C.6 **(Stewart/Garcia) (6-0)** Approved the Recognized Obligation Payment Schedule for Riverbank Designated Local Authority (DLA)
- IV.C.7 **(Garcia/Gatti) (6-0)** Approved the Recognized Obligation Payment Schedule for Stanislaus/Ceres Successor Agency
- IV.C.8 **(DeMartini/Sheatsley) (6-0)** Approved the Recognized Obligation Payment Schedule for Stanislaus County Successor Agency
- IV.C.9 **(Andre/Stewart) (6-0)** Approved the Recognized Obligation Payment Schedule for Turlock Successor Agency
- IV.D **(Stewart/Garcia) (6-0)** Approved the Audit Engagement Letter for audit services on behalf of the Riverbank Designated Local Authority
- V. Kashmir Gill, County Auditor-Controller, reported that:
- One of bond holders from Riverbank DLA contacted Auditor Controller's Office to express frustration with Riverbank DLA's decision not to refinance their bonds
 - Michael Wapnowski contacted Auditor-Controller's Office today to inform that he is no longer Fire Chief of the Stanislaus Consolidated Fire Protection District.
- VI. **(Garcia/Stewart) (6-0)** The meeting was adjourned at 2:25 p.m.

ATTESTED: Kashmir Gill, Secretary of the Stanislaus Countywide Successor Agency Oversight Board, State of California

STANISLAUS COUNTYWIDE SUCCESSOR AGENCY
OVERSIGHT BOARD
AGENDA REPORT

MEETING DATE: November 7, 2019

TO: Chairman and Board Members

FROM: _____

SUBJECT: Refunding of 2006 Ceres RDA Tax Allocation Bonds, for debt service savings

**RECOMMENDED COUNTYWIDE SUCCESSOR AGENCY OVERSIGHT BOARD
("OVERSIGHT BOARD") ACTION:**

Staff recommends Oversight Board adopt Resolution No. _____, Approving the Issuance and Sale by the Successor Agency to the Ceres Redevelopment Agency of Tax Allocation Refunding Bonds, and Approving and Authorizing other Actions in Connection Therewith

I. BACKGROUND:

In December of 2006 the former Ceres Redevelopment Agency (the "Prior Agency") issued its \$36,645,000 Tax Allocation Bonds and its \$1,480,000 Housing Tax Allocation Bonds (collectively, the "2006 Bonds"), of which \$26,105,000 is currently outstanding.

Due to the dissolution of redevelopment agencies, the Successor Agency to the Ceres Redevelopment Agency (the "Successor Agency") now has responsibility for payment of all outstanding Bonds. Per AB 1484, the Successor Agency may refund (refinance) existing bonds, with approval of the Oversight Board and the State Department of Finance ("DOF"), for the purpose of generating a debt service savings.

Based on current market interest rates, the Successor Agency can generate a total debt service savings of approximately \$5.18 million by refunding the outstanding 2006 Bonds from the proceeds of a new bond issuance (the "2019 Bonds") without extending the term of such bonds. The total savings amount will be shared by all affected taxing entities. The 2019 Bonds will be issued on a parity basis with the Successor Agency's 2015 Bonds, which will remain outstanding.

Pursuant to Health & Safety Code Section 34177.5(f), the Oversight Board must approve the issuance by the Successor Agency of the 2019 Bonds. The State Department of Finance (DOF) will then review such Oversight Board action. DOF is allowed 60 days to review any actions of the Oversight Board to approve refunding bond issues. Assuming approval of the attached Resolution, DOF would have until approximately the third week of December 2019 to review the action by the Oversight Board.

During the DOF review period, Successor Agency staff and finance team members (Urban Futures, Inc. as municipal advisor and fiscal consultant, Stradling Yocca Carlson & Rauth as bond and disclosure counsel, and Brandis Tallman LLC, as underwriter) will prepare the Preliminary Official Statement, which will contain information about the Successor Agency, the redevelopment project area, and the 2019 Bonds. It is anticipated that the form of the Preliminary Official Statement will be presented to the Successor Agency for consideration of approval at the Agency's regular meeting on November 11, 2019.

II. REASONS FOR RECOMMENDATION:

The issuance of refunding bonds will take advantage of historically low market interest rates to refund the outstanding 2006 Bonds from the proceeds of the 2019 Bonds. The annual debt service savings will increase the amount of residual revenues generated by the redevelopment project area, and such annual savings amounts will be shared by the affected taxing entities.

III. FISCAL IMPACTS:

The repayment of principal and interest on the 2019 Bonds will be secured solely by tax increment revenues generated by the redevelopment project area and deposited into the Agency's Redevelopment Property Tax Trust Fund (RPTTF).

The Debt Service Reserve Funds of the 2006 Bonds (approximately \$2.15 million) will be used as contributions to the escrow accounts to refund the 2006 Bonds. It is anticipated that the Agency will use a reserve fund surety policy (in lieu of a cash reserve fund) to satisfy the reserve requirement for the 2019 Bonds.

IV. STEPS FOLLOWING APPROVAL:

The Preliminary Official Statement will be prepared by the Finance Team and presented to the Successor Agency for consideration of approval at the meeting of November 11, 2019.

Upon approval of the 2019 Bonds by the State Dept. of Finance, the 2019 Bonds will be priced and sold, with bond closing expected to occur by the first week of February 2020. The repayment of the 2006 Bonds will occur within 30 days of the bond closing date.

Attachments:

1. Resolution No. _____

RESOLUTION NO. _____

A RESOLUTION OF THE STANISLAUS COUNTYWIDE SUCCESSOR
AGENCY OVERSIGHT BOARD APPROVING THE ISSUANCE AND SALE BY
THE SUCCESSOR AGENCY TO THE CERES REDEVELOPMENT AGENCY OF
TAX ALLOCATION REFUNDING BONDS, AND APPROVING AND
AUTHORIZING OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Ceres Redevelopment Agency (the "Prior Agency") was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California) (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 (the "Redevelopment Plan") for a redevelopment project known and designated as the "Ceres Redevelopment Project Area No. 1" was adopted and approved by Ordinance No. 91-783 of the City of Ceres on July 15, 1991 and was amended by Ordinance No. 94-836 on November 28, 1994 and by Ordinance No. 2002-913 adopted by the City Council on July 8, 2002 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, Section 34179(j) of the Health and Safety Code of the State of California provides for the appointment of a countywide oversight board (the "Countywide Oversight Board") with specific duties to approve certain Successor Agency actions pursuant to Section 34180 of the Health and Safety Code and to direct the Successor Agency in certain other actions pursuant to Section 34181 of the Health and Safety Code;

WHEREAS, the Prior Agency has previously issued its \$36,645,000 Ceres Redevelopment Project Area No. 1 Tax Allocation Refunding Bonds, Issue of 2006 (the "2006 Non-Housing

Bonds”) and its \$1,480,000 Ceres Redevelopment Project Area No. 1 Housing Tax Allocation Refunding Bonds, Issue of 2006 (the “2006 Housing Bonds,” and with the 2006 Non-Housing Bonds, the “2006 Bonds”); and

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 Prior Agency was dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (as amended, the “Dissolution Act”), and on February 1, 2012, the Successor Agency to the Ceres Redevelopment Agency (the “Successor Agency”), in accordance with and pursuant to the Dissolution Act, assumed the duties and obligations of the Prior Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Prior Agency with respect to the 2006 Bonds; and

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

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; and

WHEREAS, said Section 34177.5 further provides that the Successor Agency may pledge to its refunding bonds the revenues pledged to the bonds or other indebtedness being refunded, and that pledge, when made in connection with the issuance of such refunding bonds, shall have the same lien

priority as the pledge of the bonds or other obligations to be refunded, and shall be valid, binding, and enforceable in accordance with its terms; and

WHEREAS, for the purpose of refunding the Prior Agency's 2006 Bonds to achieve debt service savings in accordance with Section 34177.5(a)(1), the Successor Agency wishes at this time to issue its Ceres Redevelopment Project Area No. 1 Subordinate Tax Allocation Refunding Bonds, Issue of 2019 (the "2019 Bonds"), secured by a pledge of property tax revenues authorized by California Health and Safety Code Section 34177.5(g) on a parity basis to the Successor Agency's Ceres Redevelopment Project Area No. 1 Subordinate Tax Allocation Refunding Bonds, Issue of 2015, all pursuant to the provisions of the Refunding Law.

NOW, THEREFORE, BE IT RESOLVED by the Stanislaus Countywide Successor Agency Oversight Board ("Oversight Board") as follows:

1. The Oversight Board hereby finds, resolves, and determines that the foregoing recitals are true and correct and are incorporated herein by reference, and, together with information provided by the Successor Agency staff and the public, form the basis for the approvals, findings, resolutions, and determinations set forth below.

2. The execution and delivery by the Successor Agency of the proposed First Supplemental Indenture of Trust, the Continuing Disclosure Certificate and Escrow Agreements, in substantially the forms submitted herewith, for the purpose of prepaying all or a portion of the 2006 Bonds to achieve debt service savings, in accordance with Health and Safety Code Section 34177.5(a)(1), and the pledge of property tax revenues to the 2019 Bonds, approved by the Resolution of the Successor Agency approving the First Supplemental Indenture of Trust and the 2019 Bonds (as authorized by Health and Safety Code Section 34177.5(a)(1)), is hereby approved.

3. The Oversight Board hereby directs the Successor Agency to undertake the refunding proceedings for the issuance of the 2019 Bonds pursuant to Section 34177.5(a)(1) of the Health and Safety Code and further authorizes and directs the Successor Agency to prepare, approve and execute

such other documents, including, as necessary, a bond purchase agreement or placement agent agreement, a preliminary official statement and official statement or private placement memorandum, agreements relating to bond insurance and/or a reserve surety bond, and any additional agreements as may be required to carry out the purposes hereof and of the Resolution of the Successor Agency approving the refunding transaction and related documents without the need for any further approval from the Countywide Oversight Board so long as the Successor Agency determines in consultation with Bond Counsel to the Successor Agency that the 2019 Bonds will comply with Section 34177.5 of the Dissolution Act.

4. The Chair of the Oversight Board and the other officers and members of staff having responsibility for the affairs of the Oversight Board are hereby authorized and directed to execute such documents and certificates, if any, as they determine are necessary or appropriate to assist the Successor Agency in the issuance of the 2019 Bonds.

5. Pursuant to the provisions of California Health and Safety Code Section 34177.5(f), the Successor Agency is expressly authorized to recover its related costs in connection with the transaction approved hereby, irrespective of whether the 2019 Bonds are issued or any of the 2006 Bonds are refunded or defeased.

6. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

7. This Resolution shall take effect in accordance with Health and Safety Code Sections 34177.5(f) and 34179(h).

PASSED AND ADOPTED by the Oversight Board at a duly noticed meeting of the Oversight Board held on this 7th day of November, 2019 by the following vote:

November 7, 2019

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Ayes:

Noes:

Absent:

Abstained:

Chair
Stanislaus Countywide Successor Agency Oversight
Board

ATTEST:

Kashmir Gill, Secretary
Stanislaus Countywide Successor Agency Oversight Board

APPROVED AS TO FORM:

Thomas E. Boze, County Counsel

Attachments incorporated by reference:

- A. Successor Agency Resolution
- B. Form of First Supplemental Indenture of Trust
- C. Municipal Advisor Report
- D. Form of Escrow Agreements
- E. Form of Continuing Disclosure Certificate

ATTACHMENT "A"
SUCCESSOR AGENCY RESOLUTION

RESOLUTION NO. 2019-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE CERES REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS, AND APPROVING THE FORM OF A SUPPLEMENTAL INDENTURE OF TRUST, CONTINUING DISCLOSURE CERTIFICATE, ESCROW AGREEMENTS AND RELATED DOCUMENTS AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Ceres Redevelopment Agency (the "Prior Agency") was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California) (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 (the "Redevelopment Plan") for a redevelopment project known and designated as the "Ceres Redevelopment Project Area No. 1" was adopted and approved by Ordinance No. 91-783 of the City of Ceres on July 15, 1991 and was amended by Ordinance No. 94-836 on November 28, 1994 and by Ordinance No. 2002-913 adopted by the City Council on July 8, 2002 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 its \$36,645,000 Ceres Redevelopment Project Area No. 1 Tax Allocation Refunding Bonds, Issue of 2006 (the "2006 Non-Housing Bonds") and its \$1,480,000 Ceres Redevelopment Project Area No. 1 Housing Tax Allocation Refunding Bonds, Issue of 2006 (the "2006 Housing Bonds," and with the 2006 Non-Housing Bonds, the "2006 Bonds"); and

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 Prior Agency was dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (as amended, the "Dissolution Act"), and on February 1, 2012, the Successor Agency to the Ceres Redevelopment Agency (the "Successor Agency"), in accordance with and pursuant to the Dissolution Act, assumed the duties and obligations of the Prior Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Prior Agency with respect to the 2006 Bonds; and

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

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; and

WHEREAS, said Section 34177.5 further provides that the Successor Agency may pledge to its refunding bonds the revenues pledged to the bonds or other indebtedness being refunded, and that pledge, when made in connection with the issuance of such refunding bonds, shall have the same lien priority as the pledge of the bonds or other obligations to be refunded, and shall be valid, binding, and enforceable in accordance with its terms; and

WHEREAS, for the purpose of refunding the Prior Agency's 2006 Bonds to achieve debt service savings in accordance with Section 34177.5(a)(1), the Successor Agency wishes at this time to issue its Ceres Redevelopment Project Area No. 1 Subordinate Tax Allocation Refunding Bonds, Issue of 2019 (the "2019 Bonds"), secured by a pledge of property tax revenues authorized by California Health and Safety Code Section 34177.5(g) on a parity basis to the Successor Agency's Ceres Redevelopment Project Area No. 1 Subordinate Tax Allocation Refunding Bonds, Issue of 2015, all pursuant to the provisions of the Refunding Law; and

WHEREAS, in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature), the Successor Agency has obtained from the Municipal Advisor the required good faith estimates and such estimates are disclosed and set forth in the staff report submitted to the Successor Agency Board herewith; and

WHEREAS, the Successor Agency wishes at this time to approve all matters relating to the issuance of the 2019 Bonds.

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

Section 1. Subject to the provisions of the Indenture referred to below, the issuance of the 2019 Bonds, in one or more taxable and/or tax-exempt series, in the aggregate principal amount of not to exceed Twenty Six Million Dollars (\$26,000,000) on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture, is hereby authorized and approved. The 2019 Bonds will bear interest at the rates, will be payable on the dates, will be in the form, will be subject to prepayment, and will be as otherwise provided in the Indenture of Trust (the "Original Indenture"), dated as of June 1, 2015, by and between the Successor Agency and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by the First Supplemental Indenture of Trust (the "First Supplemental Indenture," and with the Original Indenture, the "Indenture"), between the Successor Agency and the Trustee, as the same will be completed as provided in this Resolution. The proceeds of the 2019 Bonds shall be applied as provided in the Indenture.

Section 2. The First Supplemental Indenture in substantially the form submitted at this meeting and made a part hereof as though set forth in full herein, is hereby approved. The Chair, the Vice-Chair, the Executive Director, the Treasurer or the Secretary of the Successor Agency (each an "Authorized Officer" and collectively, the "Authorized Officers") are, and each of them is, hereby authorized and directed, for and in the name of the Successor Agency, to execute and deliver the First Supplemental Indenture, in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The Escrow Agreements in substantially the form submitted at this meeting and made a part hereof as though set forth in full herein, are hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Successor Agency, to execute and deliver a 2006 Housing Bonds Escrow Agreement and a 2006 Non-Housing Bonds Escrow Agreement to effect the refunding of the 2006 Housing Bonds and the 2006 Non-Housing Bonds, respectively, in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The form of the Continuing Disclosure Certificate, to be executed in connection with the 2019 Bonds, presented herewith is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Successor Agency, to execute and deliver the Continuing Disclosure Certificate in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

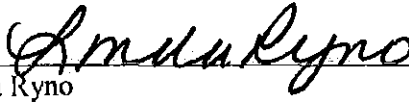
Section 5. U.S. Bank National Association is hereby appointed as Trustee under the Indenture and Escrow Bank under the Escrow Agreements, Stradling Yocca Carlson & Rauth, a Professional Corporation, is hereby appointed as Bond Counsel and Disclosure Counsel, and Urban Futures, Inc. is hereby appointed as Municipal Advisor, Fiscal Consultant and Dissemination Agent.

Section 6. The Executive Director or any other Authorized Officer is hereby authorized to negotiate, execute and deliver a bond purchase agreement between the Successor Agency and Brandis Tallman LLC, as underwriter, for the purchase of the 2019 Bonds; provided, however, that the true interest costs with respect to the 2019 Bonds shall not exceed 3.50% and the underwriter's discount shall not exceed 0.6%. Provided, however, that if the Executive Director decides that is in the best interests of the Successor Agency that the 2019 Bonds be sold on a private placement basis, Brandis Tallman LLC shall be used as the placement agent, and the 2019 Bonds may be so privately placed.

Section 7. The Authorized Officers, and any other proper officer of the Successor Agency, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments relating to the 2019 Bonds, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Indenture, the Escrow Agreements, the Continuing Disclosure Certificate, this Resolution and any related agreements, including the procurement of an insurance policy and/or a reserve surety for the 2019 Bonds from a municipal bond insurer, the subordination of any amounts required to be paid to an affected taxing entity to any or all of the 2019 Bonds, and the amendment of any documents executed and delivered in connection with any of the Successor Agency's outstanding debt. Furthermore, in the event that the 2019 Bonds are issued after January 1, 2020, the Authorized Officers are authorized to amend the name of the 2019 Bonds to be the "Successor Agency to the Ceres Redevelopment Agency Ceres Redevelopment Project Area No. 1 Subordinate Tax Allocation Refunding Bonds, Issue of 2020."

Section 8. This Resolution shall take effect immediately upon its adoption.

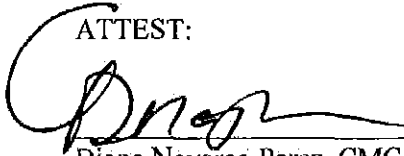
IN WITNESS WHEREOF, this Resolution is adopted and approved the 23rd day of September, 2019.



Linda Ryno
Vice Chair of the Successor Agency to the Ceres
Redevelopment Agency

(SEAL)

ATTEST:



Diane Nayares-Perez, CMC
Secretary of the Successor Agency to the
Ceres Redevelopment Agency

STATE OF CALIFORNIA
COUNTY OF STANISLAUS
CITY OF CERES

SECRETARY'S CERTIFICATE
OF AUTHENTICATION

I, Diane Nayares-Perez, Secretary of the Successor Agency to the Ceres Redevelopment Agency, California, DO HEREBY CERTIFY that the foregoing Resolution was duly adopted by said Successor Agency at a special meeting of said Successor Agency held on the 23rd day of September, 2019, and that the same was passed and adopted by the following vote, to wit:

AYES: Condit, Durossette, Kline and Vice Mayor Ryno

NOES: None


ABSENT: Mayor Vierra


Secretary

STATE OF CALIFORNIA
COUNTY OF STANISLAUS
CITY OF CERES

SECRETARY'S CERTIFICATE
OF AUTHENTICATION

I, Diane Nayares-Perez, Secretary of the Successor Agency to the Ceres Redevelopment Agency, DO HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of Resolution No. 2019-01 of said Successor Agency and that said Resolution was adopted at the time and by the vote stated on the above certificate, and has not been amended or repealed.


Secretary

ATTACHMENT "B"

FORM OF FIRST SUPPLEMENTAL INDENTURE OF TRUST

FIRST SUPPLEMENTAL INDENTURE OF TRUST

by and between

SUCCESSOR AGENCY TO THE CERES REDEVELOPMENT AGENCY

and

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

Dated as of _____ 1, 20__

Relating to

**\$ _____
SUCCESSOR AGENCY TO THE CERES REDEVELOPMENT AGENCY
CERES REDEVELOPMENT PROJECT AREA NO. 1
SUBORDINATE TAX ALLOCATION REFUNDING BONDS, ISSUE OF 2019**

FIRST SUPPLEMENTAL INDENTURE OF TRUST

THIS FIRST SUPPLEMENTAL INDENTURE OF TRUST, dated as of ____ 1, 20__ (the "First Supplemental Indenture"), by and between the Successor Agency to the Ceres Redevelopment Agency (the "Successor Agency") and U.S. Bank National Association, as trustee (the "Trustee") governs the terms of the Successor Agency's Ceres Redevelopment Project Area No. 1 Subordinate Tax Allocation Refunding Bonds, Issue of 2019, which are being issued as Parity Bonds in accordance with the Indenture of Trust, dated as of June 1, 2015, between the Successor Agency and the Trustee (the "Original Indenture" and together with this First Supplemental Indenture, the "Indenture"), and supplements the Original Indenture.

RECITALS:

WHEREAS, the Ceres Redevelopment Agency (the "Prior Agency") was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California) (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 (the "Redevelopment Plan") for a redevelopment project known and designated as the "Ceres Redevelopment Project Area No. 1" was adopted and approved by Ordinance No. 91-783 of the City of Ceres on July 15, 1991 and was amended by Ordinance No. 94-836 on November 28, 1994 and by Ordinance No. 2002-913 adopted by the City Council on July 8, 2002 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 its \$15,305,000 Ceres Redevelopment Project Area No. 1 Tax Allocation Bonds, Issue of 2003 (the "2003 Bonds"); and

WHEREAS, the Prior Agency has previously issued its \$36,645,000 Ceres Redevelopment Project Area No. 1 Tax Allocation Refunding Bonds, Issue of 2006 (the "2006 Non-Housing Bonds") and its \$1,480,000 Ceres Redevelopment Project Area No. 1 Housing Tax Allocation Refunding Bonds, Issue of 2006 (the "2006 Housing Bonds," and with the 2006 Non-Housing Bonds, the "2006 Bonds"); and

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

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

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

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

WHEREAS, AB1484 specifically authorizes the issuance of refunding bonds by the Successor Agency to finance debt service savings; and

WHEREAS, pursuant to the Original Indenture, the Successor Agency has previously issued its Ceres Redevelopment Project Area No. 1 Subordinate Tax Allocation Refunding Bonds, Issue of 2015 (the "2015 Bonds") in the aggregate principal amount of \$8,050,000 for the purpose of refunding all of the outstanding 2003 Bonds; and

WHEREAS, for the purpose of refunding the Prior Agency's 2006 Bonds to achieve debt service savings in accordance with Section 34177.5(a)(1), the Successor Agency wishes at this time to issue its Ceres Redevelopment Project Area No. 1 Subordinate Tax Allocation Refunding Bonds, Issue of 2019 (the "2019 Bonds"), secured by a pledge of property tax revenues authorized by California Health and Safety Code Section 34177.5(g) on a parity basis to the 2015 Bonds, all 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, the issuance of the 2019 Bonds has been approved by the Stanislaus Countywide Oversight Board and such approval has been approved by the California Department of Finance; and

WHEREAS, in order to provide for the authentication and delivery of the 2019 Bonds, to establish and declare the terms and conditions upon which the 2019 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 hereby certifies that all acts and proceedings required by law necessary to make the 2019 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 valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken.

NOW, THEREFORE, in order to establish the terms and conditions upon and subject to which the 2019 Bonds are to be issued, and in consideration of the promises and of the mutual covenants contained herein and of the purchase and acceptance of the 2019 Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the Successor Agency does hereby covenant and agree, for the benefit of the Owners of the 2015 Bonds and the 2019 Bonds and any other Parity Bonds which may be issued from time to time, as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Amended Definitions. All capitalized terms not otherwise defined herein shall have the meaning set forth in the Original Indenture. The following definitions set forth in Section 1.2 of the Original Indenture are amended to mean the following, or added to Section 1.2 of the Original Indenture, as applicable, with respect to the 2019 Bonds:

"Bond" or "Bonds" means the 2015 Bonds, the 2019 Bonds and any other Parity Bonds.

“Continuing Disclosure Agreement” means, collectively, (i) that certain Continuing Disclosure Agreement, dated as of June 1, 2015, executed in connection with the 2015 Bonds, as it may be amended from time to time in accordance with the terms thereof; (ii) that certain Continuing Disclosure Certificate, dated _____, 20__, executed in connection with the 2019 Bonds, as it may be amended from time to time in accordance with the terms thereof; and (iii) any certificate or agreement with respect to any other Parity Bonds relating to compliance with Rule 15c2-12 adopted under the Securities Exchange Act of 1934, as amended.

“Delivery Date” means, with respect to the 2015 Bonds, the date on which the 2015 Bonds are delivered to the initial purchaser thereof, and with respect to the 2019 Bonds, the date on which the 2019 Bonds are delivered to the initial purchaser thereof.

“Escrow Bank” means U.S. Bank National Association, as escrow bank under the 2006 Housing Bonds Escrow Agreement and the 2006 Non-Housing Bonds Escrow Agreement.

“First Supplemental Indenture” means this First Supplemental Indenture of Trust dated as of _____ 1, 20__, by and between the Successor Agency and the Trustee, authorizing the issuance of the 2019 Bonds.

“Indenture” means the Original Indenture, as amended and supplemented by the First Supplemental Indenture.

“Interest Payment Date” means June 15 and December 15, commencing June 15, 2016, with respect to the 2015 Bonds, and commencing _____ 15, 20__, with respect to the 2019 Bonds, so long as any of the Bonds remain Outstanding hereunder.

“Original Indenture” means that certain Indenture of Trust dated as of June 1, 2015, between the Successor Agency and U.S. Bank National Association, authorizing the issuance of the 2015 Bonds.

“Original Purchaser” means Stifel, Nicolaus & Company, Incorporated, as original purchaser of the 2015 Bonds, and Brandis Tallman LLC, as original purchaser of the 2019 Bonds.

“Parity Bonds” means any additional tax allocation bonds (including, without limitation, bonds, notes, interim certificates, debentures or other obligations) issued by the Successor Agency on a parity with the 2015 Bonds and the 2019 Bonds as permitted by Section 3.4 of the Indenture.

“Pass-Through Agreements” means certain agreements between the Prior Agency as succeeded by the Successor Agency and certain taxing agencies for the distribution of tax increment revenues received by the Successor Agency to such taxing agencies, including an agreement with the Stanislaus County Office of Education and an agreement with the Turlock Mosquito Abatement District, payments under which are senior to the 2015 Bonds and the 2019 Bonds, but excluding agreements with (i) the County of Stanislaus, (ii) the Ceres Unified School District, (iii) the Yosemite Community College District, (iv) the Modesto City School District and (v) the Modesto High School District (copies of which are on file in the office of the Secretary of the Successor Agency), which are obligations of the Successor Agency but which have been subordinated to the 2015 Bonds and the 2019 Bonds pursuant to the procedure set forth in Health and Safety Code Section 34177.5(c).

“Regular Record Date” means the first day of the month in which any Interest Payment Date occurs whether or not such day is a Business Day.

“Term Bonds” means the Bonds maturing on December 15, 20__.

“2006 Bonds” means the 2006 Housing Bonds and the 2006 Non-Housing Bonds.

“2006 Housing Bonds” means the \$1,480,000 Ceres Redevelopment Agency, Ceres Redevelopment Project Area No. 1, Housing Tax Allocation Refunding Bonds, Issue of 2006.

“2006 Housing Bonds Escrow Agreement” means the 2006 Housing Bonds Escrow Agreement between the Successor Agency and the Escrow Bank.

“2006 Housing Bonds Escrow Fund” means the escrow fund established under the 2006 Housing Bonds Escrow Agreement for the purpose of redeeming the 2006 Housing Bonds.

“2006 Non-Housing Bonds” means the \$36,645,000 Ceres Redevelopment Agency, Ceres Redevelopment Project Area No. 1 Tax Allocation Refunding Bonds, Issue of 2006.

“2006 Non-Housing Bonds Escrow Agreement” means the 2006 Non-Housing Bonds Escrow Agreement between the Successor Agency and the Escrow Bank.

“2006 Non-Housing Bonds Escrow Fund” means the escrow fund established under the 2006 Non-Housing Bonds Escrow Agreement for the purpose of redeeming the 2006 Non-Housing Bonds.

“2019 Bonds” means the Ceres Redevelopment Project Area No. 1 Subordinate Tax Allocation Refunding Bonds, Issue of 2019, authorized by and at any time Outstanding pursuant to the Indenture.

“2019 Bonds Costs of Issuance Fund” means the fund of that name established pursuant to Section 3.01 of this First Supplemental Indenture.

“2019 Bonds Insurer” means _____.

“2019 Bonds Reserve Policy” means the Municipal Bond Debt Service Reserve Insurance Policy issued by the 2019 Bonds Insurer.

ARTICLE II

THE 2019 BONDS

Section 2.01 Authorization of the 2019 Bonds. Under and pursuant to the Indenture, upon Written Request of the Successor Agency, the Trustee will deliver to the original purchaser the 2019 Bonds in an aggregate principal amount of \$_____ as Parity Bonds payable from the Pledged Tax Revenues on a parity with the 2015 Bonds.

Section 2.02 Terms of 2019 Bonds.

(a) The 2019 Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof. The 2019 Bonds shall be dated as of the

Delivery Date, shall be issued in the aggregate principal amount of \$_____, shall mature on December 15 of each year and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rates per annum as follows:

<i>Maturity (December 15)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
-----------------------------------	-----------------------------	--------------------------

(b) Interest on the 2019 Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Regular Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check or draft of the Trustee mailed on the Interest Payment Date by first class mail to such Owner at the address of such Owner as it appears on the Registration Books; provided, however, that upon the written request of any Owner of at least \$1,000,000 in principal amount of 2019 Bonds received by the Trustee at least fifteen (15) days prior to such Regular Record Date, payment shall be made by wire transfer in immediately available funds to an account in the United States designated by such Owner. Principal of and redemption premium (if any) on any 2019 Bond shall be paid upon presentation and surrender thereof, at maturity or redemption, at the Trust Office. Both the principal of and interest and premium (if any) on the 2019 Bonds shall be payable in lawful money of the United States of America. Interest shall be calculated based upon a 360-day year of twelve thirty-day months.

Each 2019 Bond shall be initially dated as of the Delivery Date for the 2019 Bonds and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Regular 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) a 2019 Bond is authenticated on or before _____, 20__, in which event it shall bear interest from the Delivery Date; provided, however, that if, as of the date of authentication of any 2019 Bond, interest thereon is

in default, such 2019 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(c) The principal and premium, if any, of the 2019 Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Trust Office.

(d) The 2019 Bonds shall be subject to redemption as provided in Article IV.

Section 2.03 Form of 2019 Bonds. The 2019 Bonds shall be in substantially the form set forth in Exhibit A hereto, with appropriate or necessary insertions, omissions and variations as permitted or required hereby.

Section 2.04 Application of Proceeds of the 2019 Bonds. On the Delivery Date, the proceeds of the sale of the 2019 Bonds received by the Trustee, \$ _____, shall be deposited and/or transferred by the Trustee as follows:

(a) The Trustee shall deposit the amount of \$ _____ in the 2019 Bonds Costs of Issuance Fund. The moneys in the 2019 Bonds Costs of Issuance Fund shall be used and withdrawn in accordance with Section 3.01 hereof.

(b) The Trustee shall transfer the amount of \$ _____ to the Escrow Bank for deposit in the 2006 Housing Bonds Escrow Fund.

(c) The Trustee shall transfer the amount of \$ _____ to the Escrow Bank for deposit in the 2006 Non-Housing Bonds Escrow Fund.

The Trustee may establish a temporary fund to facilitate and record such deposit and transfers.

In addition, the Trustee shall deposit the 2019 Bonds Reserve Policy into the Reserve Account of the Debt Service Fund.

ARTICLE III

2019 BONDS COSTS OF ISSUANCE FUND

Section 3.01 2019 Bonds Costs of Issuance Fund. The Trustee shall establish and maintain a separate fund designated the "2019 Bonds Costs of Issuance Fund." On the Delivery Date for the 2019 Bonds, there shall be deposited in the 2019 Bonds Costs of Issuance Fund the amount specified in Section 2.04 hereof.

The moneys in the 2019 Bonds Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance in connection with the 2019 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 three (3) months following the Delivery Date, or upon the earlier Written Request of the Successor Agency, all amounts (if any) remaining in the 2019 Bonds Costs of Issuance Fund shall be withdrawn therefrom by the Trustee

and transferred to the Debt Service Fund and the Trustee shall close the 2019 Bonds Costs of Issuance Fund.

ARTICLE IV

REDEMPTION OF 2019 BONDS

Section 4.01 Redemption of 2019 Bonds.

(a) Optional Redemption. The 2019 Bonds maturing on or before December 15, _____ are not subject to redemption prior to maturity. The 2019 Bonds maturing on or after December 15, _____ are subject to redemption prior to maturity in whole, or in part in the manner determined by the Successor Agency, on any date on or after December 15, _____; from any available source of funds, at a redemption price equal to the principal amount to be redeemed, together with accrued interest thereon to the redemption date, without premium.

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem 2019 Bonds under this subsection (a) at least 40 days prior to the date fixed for such redemption, and shall transfer to the Trustee for deposit in the Redemption Account all amounts required for such redemption at least five (5) Business Days prior to the date fixed for such redemption; provided, the Trustee may waive such requirements upon Written Request of the Successor Agency.

(b) Sinking Account Redemption. The Term Bonds maturing on December 15, 20__ are subject to redemption in part by lot on December 15 in each year shown below until maturity, from sinking account payments made by the Successor Agency, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, in the aggregate respective principal amounts and on the respective dates as set forth in the following table; provided, however, that if some but not all of the Term Bonds have been redeemed the total amount of all future sinking account payments will be reduced by an amount corresponding to the aggregate principal amount of Term Bonds so redeemed, to be allocated among such sinking account payments on a pro rata basis in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination will be given by the Successor Agency to the Trustee):

20__ Term Bonds Sinking Account Redemption Date (December 15)	Principal Amount to be Redeemed or Purchased
	\$

(maturity)

ARTICLE V

PROVISIONS RELATING TO THE 2019 BONDS RESERVE POLICY

Section 5.01 [TO COME]

ARTICLE VI

EQUAL SECURITY

Section 6.01 Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, the Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Owners from time to time of the Bonds; and the covenants and agreements set forth in the Indenture 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 or delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

The Owners of the 2015 Bonds and the 2019 Bonds shall have a co-equal lien on and a security interest in the Pledged Tax Revenues, all moneys in the Redevelopment Obligation Retirement Fund, and all moneys in the Debt Service Fund and the accounts and subaccounts therein.

ARTICLE VII

COVENANTS AND AMENDMENTS

Section 7.01 Tax Covenants. The Successor Agency covenants and agrees to contest by court action or otherwise any assertion by the United States of America or any departments or agency thereof that the interest received by the Owners of any 2019 Bonds is includable in gross income of the recipient under federal income tax laws on the date of issuance of the 2019 Bonds.

Section 7.02 Amendment to Rebate Fund. The Trustee has previously established a special fund designated the "Rebate Fund". All references in Section 4.4 of the Original Indenture to "2015 Bonds" shall be changed to refer to "2015 Bonds and 2019 Bonds."

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Provisions of Original Indenture in Effect. Except as expressly modified herein, all of the provisions of the Original Indenture shall remain in full force and effect and shall govern the terms of the 2019 Bonds.

Section 8.02 Partial Invalidity. If any section, paragraph, sentence, clause or phrase of this First Supplemental Indenture shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this First Supplemental Indenture. The Successor Agency hereby declares that it would have entered into this First Supplemental Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the 2019 Bonds pursuant thereto irrespective of the fact that any one or

more Sections, paragraphs, sentences, Clauses, or phrases of this First Supplemental Indenture may be held illegal, invalid or unenforceable.

Section 8.03 Execution in Counterparts. This First Supplemental 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 8.04 Governing Law. This First Supplemental Indenture shall be construed and governed in accordance with the laws of the State of California applicable to contracts made and performed in such state.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE CERES REDEVELOPMENT AGENCY has caused this First Supplemental Indenture of Trust to be signed by its Chair and Secretary, and U.S. Bank National Association, in token of its acceptance of the trust created hereunder and has caused this First Supplemental Indenture of Trust to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

SUCCESSOR AGENCY TO THE CERES
REDEVELOPMENT AGENCY

By: _____
Its: Chair

ATTEST:

By: _____
Secretary

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Its: Authorized Officer

EXHIBIT A

FORM OF 2019 BOND

No. R-__

\$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
(COUNTY OF STANISLAUS)

SUCCESSOR AGENCY TO THE
CERES REDEVELOPMENT AGENCY
CERES REDEVELOPMENT PROJECT AREA NO. 1
SUBORDINATE TAX ALLOCATION REFUNDING BOND, ISSUE OF 2019

Interest Rate	Maturity Date	Dated Date	CUSIP
_____%	December 15, 20__	_____, 20__	156747__

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

The SUCCESSOR AGENCY TO THE CERES REDEVELOPMENT AGENCY, a public body, corporate and politic, duly organized and 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, 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 next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on an interest payment date, in which event it shall bear interest from such date of authentication, or (ii) this Bond is authenticated prior to an interest payment date and after the close of business on the first day of the month in which such interest payment date occurs (a "Record Date"), in which event it shall bear interest from such interest payment date, or (iii) this Bond is authenticated on or before _____, 20__, in which event it shall bear interest from the Dated Date stated 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 rate per annum stated above, payable semiannually on June 15 and December 15 in each year (each an "interest payment date"), commencing _____ 15, 20__, calculated on the basis of a 360-day year composed of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon presentation and surrender of this Bond at the corporate trust office of U.S. Bank National Association, as trustee (the "Trustee"). Interest hereon (including the final interest payment upon maturity or earlier redemption) is payable by check of the Trustee mailed on the interest payment date by first class mail to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books maintained by the Trustee at the close of business on the Record Date next preceding such interest payment date; provided, however, that

upon the written request of any Registered Owner of at least \$1,000,000 in principal amount of Bonds received by the Trustee at least fifteen (15) days prior to such Record Date, payment shall be made by wire transfer in immediately available funds to an account in the United States designated by such Owner.

This Bond is one of a duly authorized issue of Bonds of the Successor Agency designated as "Successor Agency to the Ceres Redevelopment Agency Ceres Redevelopment Project Area No. 1 Subordinate Tax Allocation Refunding Bonds, Issue of 2019" (the "Bonds"), in an aggregate principal amount of _____ Thousand Dollars (\$ _____), 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 the Refunding Bond Act, being Article 11 (commencing with Section 53580) Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act"), and pursuant to a resolution of the Successor Agency adopted _____, 2019, and an Indenture of Trust, dated as of June 1, 2015, as supplemented by a First Supplemental Indenture of Trust, dated as of _____ 1, 20____, entered into by and between the Successor Agency and the Trustee (collectively, the "Indenture"), authorizing the issuance of the Bonds. Additional bonds, notes or other obligations may be issued on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Law (as defined in the Indenture) for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues, as that term is defined in the Indenture, and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds are special obligations of the Successor Agency and are payable from, and are secured by a pledge of and lien on the Pledged Tax Revenues derived by the Successor Agency from the Project Area (as that term is defined in the Indenture), on a parity basis with the Successor Agency's Redevelopment Agency Ceres Redevelopment Project Area No. 1 Subordinate Tax Allocation Refunding Bonds, Issue of 2015.

There has been created and will be maintained by the Successor Agency the Redevelopment Obligation Retirement Fund (as defined in the Indenture) into which Pledged Tax Revenues shall be deposited and transferred to the Trustee for deposit into the Debt Service Fund (as defined in the Indenture) from which the Trustee shall pay the principal of and the interest and redemption premium, if any, on the Bonds when due. As and to the extent set forth in the Indenture, all such Pledged Tax Revenues are exclusively and irrevocably pledged to and constitute a trust fund for, in accordance with the terms hereof and the provisions of the Indenture and the Law, the security and payment or redemption of, including any premium upon early redemption, and for the security and payment of interest on, the Bonds, any additional bonds, notes or other obligations, authorized by the Indenture to be issued on a parity therewith. In addition, the Bonds (and, if the indenture authorizing any loans, advances or indebtedness issued on a parity with the Bonds shall so provide, any such loan, advance or indebtedness) shall be additionally secured at all times by a co-equal lien on all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Reserve Account and the Redemption Account (as such terms are defined in the Indenture). Except for the Pledged Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium, if any, on the Bonds.

The Bonds maturing on or before December 15, _____ are not subject to redemption prior to maturity. The Bonds maturing on or after December 15, _____ are subject to redemption prior to maturity in whole, or in part in the manner determined by the Successor Agency, on any date on or after December 15, _____, from any available source of funds, at a redemption price equal to the principal amount to be redeemed, together with accrued interest thereon to the redemption date, without premium.

[The Bonds are subject to mandatory sinking fund redemption as set forth 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.

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 each 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 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 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 shall not be required to register the transfer or exchange of any Bond (i) during the period established by the Trustee for selection of Bonds for redemption or (ii) 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 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, reduce the percentage of Bonds required for the written consent to any such amendment or modification or, without its written consent thereto, modify any of the rights or obligations of the Trustee.

This Bond is not a debt of the City of Ceres, the State of California, or any of its political subdivisions (except the Successor Agency), and none of said City, said State, nor any of its political subdivisions (except the Successor Agency) is liable hereon, nor in any event shall this Bond be payable out of any funds or properties other than those of the Successor Agency as set forth in the Indenture. 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 Ceres Redevelopment Agency has caused this Bond to be executed in its name and on its behalf with the facsimile signatures of its Executive Director and its Secretary, all as of the Dated Date.

SUCCESSOR AGENCY TO THE CERES
REDEVELOPMENT AGENCY

By: _____
Executive Director

By: _____
Secretary

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

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

Authentication Date: _____, 20__

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

Secretary of the Successor Agency to the Ceres
Redevelopment Agency

STATEMENT OF INSURANCE

[TO COME]

[FORM OF ASSIGNMENT]

For value, received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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

Note: The signature(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.

ATTACHMENT "C"
MUNICIPAL ADVISOR REPORT

MEMORANDUM

TO: Successor Agency to the Ceres Redevelopment Agency

FROM: Urban Futures, Inc.
Doug Anderson, Director

DATE: September 16, 2019

RE: Independent Municipal Advisor's Report: Debt Service Savings Analysis for Successor Agency to the Ceres Redevelopment Agency, Tax Allocation Refunding Bonds, Issue of 2019

Background

The Successor Agency to the Ceres Redevelopment Agency (the "Agency") is authorized under Section 34177.5 of the State Health and Safety Code to issue refunding tax allocation bonds ("TABs") for economic savings within the parameters set forth in Section 34177.5(a)(1) of the State Health and Safety Code (the "Savings Parameters"). In addition, Section 34177.5 of the State Health and Safety Code provides, in relevant part, that the Agency "...shall make use of an independent financial advisor in developing financing proposals and shall make the work products of the financial advisor available to the Department of Finance at its request." (State Health & Safety Code Section 34177.5(h), effective 6/27/12) Urban Futures, Inc., has been retained by the Agency to serve as its independent municipal advisor to determine compliance with the Savings Parameters for purposes of the issuance by the Agency of its Tax Allocation Refunding Bonds, Issue of 2019 (the "2019 TABS").

This report in draft form may be used in presentations to the Agency Board and Oversight Board but will be final only after the pricing of the 2019 TABS and verification of final debt service savings. The 2019 TABS will be issued for the purpose of prepaying and defeasing certain outstanding bonds issued by the former Redevelopment Agency (the "Prior Obligations").

Plan of Refunding

The financing goal is to maximize economic savings by reducing total debt service.

Based on market conditions as of September 3, 2019, the Underwriter (Brandis Tallman, LLC) has provided refunding cash flows based on certain assumptions. The refunding of the Prior Obligations with proceeds of the 2019 TABS will achieve a Net PV savings of approximately \$4.55 million, or 17.42% of refunded par, as shown in Table 3. The estimates assume the use of bond insurance and a surety policy for the debt service reserve requirement, and the contribution of \$2.15 million of prior reserve/other funds into the refunding escrow. The savings generated from this refunding are anticipated to result in higher property tax distributions to the City of Ceres and other taxing entities in the future.

Refunding Results

Table 1 below shows the estimated sources and uses for the 2019 TABs.

Table 1: Sources and Uses of Funds	
Sources:	
Par Amount	\$ 20,505,000
Premium	4,390,428
	<u>\$ 24,895,428</u>
Reserve/Other funds (from Prior Obligations)	<u>2,147,289</u>
Total Sources of Funds	<u>\$ 27,042,717</u>
Uses:	
Refunding Escrow Deposits	
Cash Deposit	\$ 26,410,885
SLGS Purchases	0
	<u>\$ 26,410,885</u>
Costs of Issuance	309,844
Underwriter's Discount	123,030
Bond Insurance	116,938
Surety Policy	<u>82,020</u>
Total Uses of Funds	<u>\$ 27,042,717</u>

Tables 2 and 3 below show estimated nominal debt service savings and Net PV savings based on market conditions as of 9/3/2019.

Table 2 - Est. Debt Service Savings			
Bond Year	Existing Debt Service	Est. New Debt Service	Gross Savings*
2020	2,124,113	1,778,059	346,054
2021	2,126,913	1,782,050	344,863
2022	2,126,913	1,779,750	347,163
2023	2,125,713	1,782,350	343,363
2024	2,125,213	1,778,350	346,863
2025	2,126,875	1,782,850	344,025
2026	2,126,200	1,779,600	346,600
2027	2,126,600	1,783,850	342,750
2028	2,124,800	1,780,100	344,700
2029	2,125,800	1,783,600	342,200
2030	2,124,400	1,778,850	345,550
2031	1,640,600	1,376,100	264,500
2032	1,638,600	1,375,100	263,500
2033	1,639,800	1,376,600	263,200
2034	2,874,000	2,406,600	467,400
2035	2,876,800	2,408,600	468,200
2036	2,870,400	702,000	2,168,400
Totals	36,923,738	29,234,409	7,689,329

*(Not adjusted for future reserve fund earnings on the current 2006 Bonds' cash reserve fund if that issue were to remain outstanding, estimated to be \$2.5 million over the remaining term of the 2006 Bonds)

Table 3 - Net PV Savings Summary	
PV of Savings from cash flow	4,542,428
Plus: Refunding Funds on Hand	4,844
Net PV Savings	4,547,273

Proposed Refunding Complies with State Law

Based on the 2019 TABS proposed structure and the projected debt service savings according to numbers prepared by the Underwriter, Urban Futures, Inc. concludes that the 2019 TABS comply with the Savings Parameters as described below.

A. Total debt service (principal and interest) on the refunding bonds is less than total debt service on the refunded bonds (sec. 34177.5(a)(1)(A)): Section 34177.5(a)(1)(A) requires that the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded. Table 2 shows projected total nominal debt service savings from the refunding of the Prior Obligations of \$7.69 million, calculated as (i) total debt service on the Prior Obligations, minus (ii) total debt service on the 2019 TABS. Net PV savings is projected to be \$4.55 million or 17.42% of total refunded par, which is above the industry standard guideline of 3% of refunded par.

B. Refunding bonds principal shall be used only for refunding purposes, not for new-money (sec. 34177.5(a)(1)(B)): Section 34177.5(a)(1)(B) requires that the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance. Table 1 is the projected sources and uses of funds for the 2019 TABS, showing that all proceeds are used only for purposes associated with refunding the Prior Obligations and to pay related costs of issuance. No proceeds of the 2019 TABS will be used for any other purposes, including new-money purposes.

C. Agency shall make diligent efforts to ensure lowest long-term cost financing is obtained, to structure refunding that does not provide for any bullets or spikes or variable rates, and shall hire an independent financial advisor (sec. 34177.5(h)): Section 34177.5(h) requires the Agency to make diligent efforts to ensure that the lowest long-term cost financing is obtained and that the financing not provide for any bullets or spikes or use variable rates. The Agency has retained Urban Futures, Inc., an independent financial advisor registered with the SEC and MSRB, to monitor the pricing of the 2019 TABS. In order to achieve the lowest long-term cost of financing, the financing team is anticipating releasing cash from the prior reserve accounts into the escrow for the Prior Obligations and replacing the cash with a surety policy to satisfy the Reserve Requirement.

In accordance with Section 34177.5(h), the proposed refunding structure does not provide for any bullet principal maturities, debt service spikes or variable rate debt.

ATTACHMENT "D"
FORM OF ESCROW AGREEMENTS

2006 NON-HOUSING BONDS ESCROW AGREEMENT

THIS 2006 NON-HOUSING BONDS ESCROW AGREEMENT, dated as of _____ 1, 20__ (this "Agreement"), is by and between the Successor Agency to the Ceres Redevelopment Agency (the "Successor Agency") and U.S. Bank National Association, acting in its capacity as escrow bank (the "Escrow Bank") pursuant to this Agreement;

WITNESSETH:

WHEREAS, the Ceres Redevelopment Agency (the "Prior Agency") was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California) (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 (the "Redevelopment Plan") for a redevelopment project known and designated as the "Ceres Redevelopment Project Area No. 1" was adopted and approved by Ordinance No. 91-783 of the City of Ceres on July 15, 1991 and was amended by Ordinance No. 94-836 on November 28, 1994 and by Ordinance No. 2002-913 adopted by the City Council on July 8, 2002 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 its \$36,645,000 Ceres Redevelopment Project Area No. 1 Tax Allocation Refunding Bonds, Issue of 2006 (the "2006 Non-Housing Bonds") and its \$1,480,000 Ceres Redevelopment Project Area No. 1 Housing Tax Allocation Refunding Bonds, Issue of 2006 (the "2006 Housing Bonds," and with the 2006 Non-Housing Bonds, the "2006 Bonds"); and

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 Prior Agency was dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (as amended, the "Dissolution Act"), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to the Dissolution Act, assumed the duties and obligations of the Prior Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Prior Agency with respect to the 2006 Bonds; and

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

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; and

WHEREAS, said Section 34177.5 further provides that the Successor Agency may pledge to its refunding bonds the revenues pledged to the bonds or other indebtedness being refunded, and that pledge, when made in connection with the issuance of such refunding bonds, shall have the same lien priority as the pledge of the bonds or other obligations to be refunded, and shall be valid, binding, and enforceable in accordance with its terms; and

WHEREAS, for the purpose of refunding the Prior Agency's 2006 Bonds to achieve debt service savings in accordance with Section 34177.5(a)(1), the Successor Agency has decided to issue its Ceres Redevelopment Project Area No. 1 Subordinate Tax Allocation Refunding Bonds, Issue of 2019 (the "2019 Bonds"), a portion of the proceeds of which will be used to redeem the 2006 Non-Housing Bonds maturing on and after November 1, 2020 (the "Prior Bonds") and redeeming the Prior Bonds on [_____, 2020] (the "Redemption Date") at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest to the Redemption Date, without premium (the "Redemption Price").

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

SECTION 1. Deposit of Moneys. The Successor Agency hereby deposits with the Escrow Bank \$ _____, which represents \$ _____ of net proceeds of the 2019 Bonds and \$ _____ from the funds and accounts held by U.S. Bank National Association as trustee (the "Prior Bonds Trustee") under that certain Indenture of Trust, dated as of December 1, 2006, by and between the Successor Agency and the Prior Bonds Trustee, pursuant to which the 2006 Non-Housing Bonds were issued (the "Prior Bonds Indenture"), to be held in irrevocable escrow by the Escrow Bank separate and apart from other funds of the Successor Agency and the Escrow Bank in a fund hereby created and established and to be known as the "2006 Non-Housing Bonds Escrow Fund", and to be applied solely as provided in this Agreement.

SECTION 2. Use of Moneys. The Escrow Bank acknowledges receipt of the moneys described in Section 1 and agrees:

(a) such moneys shall be held in cash uninvested in the 2006 Non-Housing Bonds Escrow Fund for the purpose of redeeming the Prior Bonds on the Redemption Date;

(b) to send the notice of redemption required by Section 6.3 of the Prior Bonds Indenture;

(c) to provide a notice of defeasance in the form attached hereto as Exhibit A to the owners of the Prior Bonds and any insurer of the Prior Bonds pursuant to the Prior Bonds Indenture and the Continuing Disclosure Agreement related to the Prior Bonds; and

(d) to make the payments required under Section 3(a) hereof at the times set forth in Section 3(a) hereof.

SECTION 3. Payment of Prior Bonds.

(a) Payment. From the amounts held in the 2006 Non-Housing Bonds Escrow Fund, the Escrow Bank shall pay the Redemption Price for the Prior Bonds on the Redemption Date.

Upon payment of the Prior Bonds in accordance with the terms of the Prior Bonds Indenture, all obligations of the Successor Agency with respect to the Prior Bonds shall cease and terminate.

(b) Unclaimed Moneys. Any moneys which remain unclaimed for two years after the date such moneys have become due and payable hereunder shall be repaid by the Escrow Bank to the Successor Agency. Any moneys remaining in the 2006 Non-Housing Bonds Escrow Fund established hereunder after [December 1, 2020] (aside from unclaimed monies) which are in excess of the amount needed to pay owners of the Prior Bonds payments of principal and interest with respect to the Prior Bonds or to pay any amounts owed to the Escrow Bank shall be immediately transferred by the Escrow Bank to the Trustee in connection with the 2019 Bonds and deposited in the Debt Service Fund relating to the 2019 Bonds.

(c) Priority of Payments. The holders of the Prior Bonds shall have a first lien on the moneys in the 2006 Non-Housing Bonds Escrow Fund which are allowable and sufficient to pay the Prior Bonds until such moneys are used and applied as provided in this Agreement. Any cash held in the 2006 Non-Housing Bonds Escrow Fund is irrevocably pledged only to the holders of the Prior Bonds.

(d) Termination of Obligation. Upon deposit of the moneys set forth in Section 1 hereof with the Escrow Bank pursuant to the provisions of Section 1 hereof, all obligations of the Successor Agency with respect to the Prior Bonds shall cease and terminate, except only the obligation to make payments therefor from the moneys provided for hereunder.

SECTION 4. Performance of Duties. The Escrow Bank agrees to perform the duties set forth herein.

SECTION 5. Indemnity. The Successor Agency hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Bank and its respective successors, assigns, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Bank at any time (whether or not also indemnified against the same by the Successor Agency or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of its Agreement, the establishment hereunder of the 2006 Non-Housing Bonds Escrow Fund, the acceptance of the funds deposited therein, and any payment, transfer or other application of moneys by the Escrow Bank in accordance with the provisions of this Agreement; provided, however, that the Successor Agency shall not be required to indemnify the Escrow Bank against the Escrow Bank's own negligence or willful misconduct or the negligent or willful misconduct of the Escrow Bank's respective successors, assigns, agents and employees or the breach by the Escrow Bank of the terms of this Agreement. In no event shall the Successor Agency or the Escrow Bank be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this section. The indemnities contained in this section shall survive the termination of this Agreement.

SECTION 6. Responsibilities of the Escrow Bank. The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the 2006 Non-Housing Bonds Escrow Fund, the acceptance of the moneys

deposited therein, to accomplish the refunding and defeasance of the Prior Bonds or any payment, transfer or other application of moneys or obligations by the Escrow Bank in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "whereas" clauses herein shall be taken as the statements of the Successor Agency and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representation as to the sufficiency of the monies deposited to accomplish the refunding and defeasance of the Prior Bonds or to the validity of this Agreement as to the Successor Agency and, except as otherwise provided herein, the Escrow Bank shall incur no liability with respect thereto. The Escrow Bank shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Agreement. The Escrow Bank may consult with counsel, who may or may not be counsel to the Successor Agency, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection with respect to any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Successor Agency. 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 Escrow Bank will furnish the Successor Agency periodic cash transaction statements which include detail for all investment transactions made by the Escrow Bank hereunder.

SECTION 7. Amendments. This Agreement is made for the benefit of the Successor Agency and the holders from time to time of the Prior Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Bank and the Successor Agency; provided, however, but only after the receipt by the Escrow Bank of an opinion of nationally recognized bond counsel that the exclusion from gross income of interest on the Bonds and the Prior Bonds will not be adversely affected for federal income tax purposes, that the Successor Agency and the Escrow Bank may, without the consent of, or notice to, such holders, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Bank for the benefit of the holders of the Prior Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Bank; and (iii) to include under this Agreement additional funds, securities or properties. The Escrow Bank shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized municipal bond attorneys with respect to compliance with this Section 7, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Prior Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 10. In the event of any conflict with respect to the provisions of this Agreement, this Agreement shall prevail and be binding.

SECTION 8. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either (i) the date upon which the Prior Bonds has been paid in

accordance with this Agreement or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Bank pursuant to Section 3(b) of this Agreement.

SECTION 9. Compensation. The Escrow Bank shall receive its reasonable fees and expenses as previously agreed to; provided, however, that under no circumstances shall the Escrow Bank be entitled to any lien nor will it assert a lien whatsoever on any moneys or obligations in the 2006 Non-Housing Bonds Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Bank under this Agreement.

SECTION 10. Resignation or Removal of Escrow Bank.

(a) The Escrow Bank may resign by giving notice in writing to the Successor Agency, a copy of which shall be sent to DTC. The Escrow Bank may be removed (1) by (i) filing with the Successor Agency an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of the Prior Bonds then remaining unpaid, (ii) sending notice at least 60 days prior to the effective date of said removal to DTC, and (iii) the delivery of a copy of the instruments filed with the Successor Agency to the Escrow Bank or (2) by a court of competent jurisdiction for failure to act in accordance with the provisions of this Agreement upon application by the Successor Agency or the holders of 5% in aggregate principal amount of the Prior Bonds then remaining unpaid.

(b) If the position of Escrow Bank becomes vacant due to resignation or removal of the Escrow Bank or any other reason, a successor Escrow Bank may be appointed by the Successor Agency. The holders of a majority in principal amount of the Prior Bonds then remaining unpaid may, by an instrument or instruments filed with the Successor Agency, appoint a successor Escrow Bank who shall supersede any Escrow Bank theretofore appointed by the Successor Agency. If no successor Escrow Bank is appointed by the Successor Agency or the holders of such Prior Bonds then remaining unpaid, within 45 days after any such resignation or removal, the holder of any such Prior Bonds or any retiring Escrow Bank may apply to a court of competent jurisdiction for the appointment of a successor Escrow Bank. The responsibilities of the Escrow Bank under this Agreement will not be discharged until a new Escrow Bank is appointed and until the cash held under this Agreement are transferred to the new Escrow Bank.

SECTION 11. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Successor Agency or the Escrow Bank to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 12. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 13. Governing Law. This Agreement shall be construed under the laws of the State of California.

SECTION 14. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a

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

SECTION 15. Assignment. This Agreement shall not be assigned by the Escrow Bank or any successor thereto without the prior written consent of the Successor Agency.

SECTION 16. Reorganization of Escrow Bank. Notwithstanding anything to the contrary contained in this Agreement, any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Escrow Bank is a party, or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Bank without execution or filing of any paper or any paper or further act, if such company is eligible to serve as Escrow Bank.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers this 1st day of _____, 20__.

SUCCESSOR AGENCY TO THE CERES
REDEVELOPMENT AGENCY

By: _____
Executive Director

ATTEST:

Secretary

U. S. BANK NATIONAL ASSOCIATION,
as Escrow Bank

By: _____
Authorized Officer

EXHIBIT A

NOTICE OF DEFEASANCE

\$36,645,000

**CERES REDEVELOPMENT AGENCY
CERES REDEVELOPMENT PROJECT AREA NO. 1
TAX ALLOCATION REFUNDING BONDS, ISSUE OF 2006**

BASE CUSIP NO. _____

NOTICE IS HEREBY GIVEN to the owners of the above-captioned Ceres Redevelopment Agency Ceres Redevelopment Project Area No. 1 Tax Allocation Refunding Bonds, Issue of 2006 (the "Bonds"), that the Successor Agency to the Ceres Redevelopment Agency (the "Successor Agency") has deposited with U.S. Bank National Association, as trustee (the "Trustee") under the Indenture of Trust (the "Indenture"), dated as of December 1, 2006, by and between the Successor Agency and the Trustee, cash sufficient to pay with respect to the Bonds on _____, 2020 the principal maturing on and after November 1, 2020, plus interest with respect thereto accrued to such date, without premium.

The Bonds to be defeased are as follows:

<i>CUSIP</i>	<i>Bond Payment Date (November 1)</i>	<i>Rate</i>	<i>Amount</i>	<i>Price</i>
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In accordance with the Indenture, the Bonds are deemed to have been paid in accordance with Section 11.1 (defeasance) thereof and the obligations of the Successor Agency under the Indenture with respect to the Bonds shall thereupon cease, terminate and become void and be discharged and satisfied except as otherwise set for in the Indenture.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

DATED this ___ day of _____, 20__.

2006 HOUSING BONDS ESCROW AGREEMENT

THIS 2006 HOUSING BONDS ESCROW AGREEMENT, dated as of ____ 1, 20__ (this "Agreement"), is by and between the Successor Agency to the Ceres Redevelopment Agency (the "Successor Agency") and U.S. Bank National Association, acting in its capacity as escrow bank (the "Escrow Bank") pursuant to this Agreement;

WITNESSETH:

WHEREAS, the Ceres Redevelopment Agency (the "Prior Agency") was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California) (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 (the "Redevelopment Plan") for a redevelopment project known and designated as the "Ceres Redevelopment Project Area No. 1" was adopted and approved by Ordinance No. 91-783 of the City of Ceres on July 15, 1991 and was amended by Ordinance No. 94-836 on November 28, 1994 and by Ordinance No. 2002-913 adopted by the City Council on July 8, 2002 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 its \$36,645,000 Ceres Redevelopment Project Area No. 1 Tax Allocation Refunding Bonds, Issue of 2006 (the "2006 Non-Housing Bonds") and its \$1,480,000 Ceres Redevelopment Project Area No. 1 Housing Tax Allocation Refunding Bonds, Issue of 2006 (the "2006 Housing Bonds," and with the 2006 Non-Housing Bonds, the "2006 Bonds"); and

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 Prior Agency was dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (as amended, the "Dissolution Act"), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to the Dissolution Act, assumed the duties and obligations of the Prior Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Prior Agency with respect to the 2006 Bonds; and

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

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; and

WHEREAS, said Section 34177.5 further provides that the Successor Agency may pledge to its refunding bonds the revenues pledged to the bonds or other indebtedness being refunded, and that pledge, when made in connection with the issuance of such refunding bonds, shall have the same lien priority as the pledge of the bonds or other obligations to be refunded, and shall be valid, binding, and enforceable in accordance with its terms; and

WHEREAS, for the purpose of refunding the Prior Agency's 2006 Bonds to achieve debt service savings in accordance with Section 34177.5(a)(1), the Successor Agency has decided to issue its Ceres Redevelopment Project Area No. 1 Subordinate Tax Allocation Refunding Bonds, Issue of 2019 (the "2019 Bonds"), a portion of the proceeds of which will be used to redeem the 2006 Housing Bonds maturing on and after November 1, 2020 (the "Prior Bonds") and redeeming the Prior Bonds on [____, 2020] (the "Redemption Date") at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest to the Redemption Date, without premium (the "Redemption Price").

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

SECTION 1. Deposit of Moneys. The Successor Agency hereby deposits with the Escrow Bank \$ _____, which represents \$ _____ of net proceeds of the 2019 Bonds and \$ _____ from the funds and accounts held by U.S. Bank National Association as trustee (the "Prior Bonds Trustee") under that certain Indenture of Trust, dated as of December 1, 2006, by and between the Successor Agency and the Prior Bonds Trustee, pursuant to which the 2006 Housing Bonds were issued (the "Prior Bonds Indenture"), to be held in irrevocable escrow by the Escrow Bank separate and apart from other funds of the Successor Agency and the Escrow Bank in a fund hereby created and established and to be known as the "2006 Housing Bonds Escrow Fund", and to be applied solely as provided in this Agreement.

SECTION 2. Use of Moneys. The Escrow Bank acknowledges receipt of the moneys described in Section 1 and agrees:

(a) such moneys shall be held in cash uninvested in the 2006 Housing Bonds Escrow Fund for the purpose of redeeming the Prior Bonds on the Redemption Date;

(b) to send the notice of redemption required by Section 6.3 of the Prior Bonds Indenture;

(c) to provide a notice of defeasance in the form attached hereto as Exhibit A to the owners of the Prior Bonds and any insurer of the Prior Bonds pursuant to the Prior Bonds Indenture and the Continuing Disclosure Agreement related to the Prior Bonds; and

(d) to make the payments required under Section 3(a) hereof at the times set forth in Section 3(a) hereof.

SECTION 3. Payment of Prior Bonds.

(a) Payment. From the amounts held in the 2006 Housing Bonds Escrow Fund, the Escrow Bank shall pay the Redemption Price for the Prior Bonds on the Redemption Date.

Upon payment of the Prior Bonds in accordance with the terms of the Prior Bonds Indenture, all obligations of the Successor Agency with respect to the Prior Bonds shall cease and terminate.

(b) Unclaimed Moneys. Any moneys which remain unclaimed for two years after the date such moneys have become due and payable hereunder shall be repaid by the Escrow Bank to the Successor Agency. Any moneys remaining in the 2006 Housing Bonds Escrow Fund established hereunder after [December 1, 2020] (aside from unclaimed monies) which are in excess of the amount needed to pay owners of the Prior Bonds payments of principal and interest with respect to the Prior Bonds or to pay any amounts owed to the Escrow Bank shall be immediately transferred by the Escrow Bank to the Trustee in connection with the 2019 Bonds and deposited in the Debt Service Fund relating to the 2019 Bonds.

(c) Priority of Payments. The holders of the Prior Bonds shall have a first lien on the moneys in the 2006 Housing Bonds Escrow Fund which are allowable and sufficient to pay the Prior Bonds until such moneys are used and applied as provided in this Agreement. Any cash held in the 2006 Housing Bonds Escrow Fund is irrevocably pledged only to the holders of the Prior Bonds.

(d) Termination of Obligation. Upon deposit of the moneys set forth in Section 1 hereof with the Escrow Bank pursuant to the provisions of Section 1 hereof, all obligations of the Successor Agency with respect to the Prior Bonds shall cease and terminate, except only the obligation to make payments therefor from the moneys provided for hereunder.

SECTION 4. Performance of Duties. The Escrow Bank agrees to perform the duties set forth herein.

SECTION 5. Indemnity. The Successor Agency hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Bank and its respective successors, assigns, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Bank at any time (whether or not also indemnified against the same by the Successor Agency or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of its Agreement, the establishment hereunder of the 2006 Housing Bonds Escrow Fund, the acceptance of the funds deposited therein, and any payment, transfer or other application of moneys by the Escrow Bank in accordance with the provisions of this Agreement; provided, however, that the Successor Agency shall not be required to indemnify the Escrow Bank against the Escrow Bank's own negligence or willful misconduct or the negligent or willful misconduct of the Escrow Bank's respective successors, assigns, agents and employees or the breach by the Escrow Bank of the terms of this Agreement. In no event shall the Successor Agency or the Escrow Bank be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this section. The indemnities contained in this section shall survive the termination of this Agreement.

SECTION 6. Responsibilities of the Escrow Bank. The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the 2006 Housing Bonds Escrow Fund, the acceptance of the moneys deposited therein, to accomplish the refunding and defeasance of the Prior Bonds or any payment, transfer or

other application of moneys or obligations by the Escrow Bank in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "whereas" clauses herein shall be taken as the statements of the Successor Agency and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representation as to the sufficiency of the monies deposited to accomplish the refunding and defeasance of the Prior Bonds or to the validity of this Agreement as to the Successor Agency and, except as otherwise provided herein, the Escrow Bank shall incur no liability with respect thereto. The Escrow Bank shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Agreement. The Escrow Bank may consult with counsel, who may or may not be counsel to the Successor Agency, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection with respect to any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Successor Agency. 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 Escrow Bank will furnish the Successor Agency periodic cash transaction statements which include detail for all investment transactions made by the Escrow Bank hereunder.

SECTION 7. Amendments. This Agreement is made for the benefit of the Successor Agency and the holders from time to time of the Prior Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Bank and the Successor Agency; provided, however, but only after the receipt by the Escrow Bank of an opinion of nationally recognized bond counsel that the exclusion from gross income of interest on the Bonds and the Prior Bonds will not be adversely affected for federal income tax purposes, that the Successor Agency and the Escrow Bank may, without the consent of, or notice to, such holders, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Bank for the benefit of the holders of the Prior Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Bank; and (iii) to include under this Agreement additional funds, securities or properties. The Escrow Bank shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized municipal bond attorneys with respect to compliance with this Section 7, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Prior Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 10. In the event of any conflict with respect to the provisions of this Agreement, this Agreement shall prevail and be binding.

SECTION 8. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either (i) the date upon which the Prior Bonds has been paid in accordance with this Agreement or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Bank pursuant to Section 3(b) of this Agreement.

SECTION 9. Compensation. The Escrow Bank shall receive its reasonable fees and expenses as previously agreed to; provided, however, that under no circumstances shall the Escrow Bank be entitled to any lien nor will it assert a lien whatsoever on any moneys or obligations in the 2006 Housing Bonds Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Bank under this Agreement.

SECTION 10. Resignation or Removal of Escrow Bank.

(a) The Escrow Bank may resign by giving notice in writing to the Successor Agency, a copy of which shall be sent to DTC. The Escrow Bank may be removed (1) by (i) filing with the Successor Agency an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of the Prior Bonds then remaining unpaid, (ii) sending notice at least 60 days prior to the effective date of said removal to DTC, and (iii) the delivery of a copy of the instruments filed with the Successor Agency to the Escrow Bank or (2) by a court of competent jurisdiction for failure to act in accordance with the provisions of this Agreement upon application by the Successor Agency or the holders of 5% in aggregate principal amount of the Prior Bonds then remaining unpaid.

(b) If the position of Escrow Bank becomes vacant due to resignation or removal of the Escrow Bank or any other reason, a successor Escrow Bank may be appointed by the Successor Agency. The holders of a majority in principal amount of the Prior Bonds then remaining unpaid may, by an instrument or instruments filed with the Successor Agency, appoint a successor Escrow Bank who shall supersede any Escrow Bank theretofore appointed by the Successor Agency. If no successor Escrow Bank is appointed by the Successor Agency or the holders of such Prior Bonds then remaining unpaid, within 45 days after any such resignation or removal, the holder of any such Prior Bonds or any retiring Escrow Bank may apply to a court of competent jurisdiction for the appointment of a successor Escrow Bank. The responsibilities of the Escrow Bank under this Agreement will not be discharged until a new Escrow Bank is appointed and until the cash held under this Agreement are transferred to the new Escrow Bank.

SECTION 11. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Successor Agency or the Escrow Bank to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 12. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 13. Governing Law. This Agreement shall be construed under the laws of the State of California.

SECTION 14. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Escrow Bank are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions

are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement, and no interest shall accrue for the period from and after such nominal date.

SECTION 15. Assignment. This Agreement shall not be assigned by the Escrow Bank or any successor thereto without the prior written consent of the Successor Agency.

SECTION 16. Reorganization of Escrow Bank. Notwithstanding anything to the contrary contained in this Agreement, any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Escrow Bank is a party, or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Bank without execution or filing of any paper or any paper or further act, if such company is eligible to serve as Escrow Bank.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers this 1st day of _____, 20__.

SUCCESSOR AGENCY TO THE CERES
REDEVELOPMENT AGENCY

By: _____
Executive Director

ATTEST:

Secretary

U. S. BANK NATIONAL ASSOCIATION,
as Escrow Bank

By: _____
Authorized Officer

EXHIBIT A

NOTICE OF DEFEASANCE

**\$1,480,000
CERES REDEVELOPMENT AGENCY
CERES REDEVELOPMENT PROJECT AREA NO. 1
HOUSING TAX ALLOCATION REFUNDING BONDS, ISSUE OF 2006**

BASE CUSIP NO. _____

NOTICE IS HEREBY GIVEN to the owners of the above-captioned Ceres Redevelopment Agency Ceres Redevelopment Project Area No. 1 Housing Tax Allocation Refunding Bonds, Issue of 2006 (the "Bonds"), that the Successor Agency to the Ceres Redevelopment Agency (the "Successor Agency") has deposited with U.S. Bank National Association, as trustee (the "Trustee") under the Indenture of Trust (the "Indenture"), dated as of December 1, 2006, by and between the Successor Agency and the Trustee, cash sufficient to pay with respect to the Bonds on _____, 2020 the principal maturing on and after November 1, 2020, plus interest with respect thereto accrued to such date, without premium.

The Bonds to be defeased are as follows:

<i>CUSIP</i>	<i>Bond Payment Date (November 1)</i>	<i>Rate</i>	<i>Amount</i>	<i>Price</i>
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In accordance with the Indenture, the Bonds are deemed to have been paid in accordance with Section 11.1 (defeasance) thereof and the obligations of the Successor Agency under the Indenture with respect to the Bonds shall thereupon cease, terminate and become void and be discharged and satisfied except as otherwise set for in the Indenture.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

DATED this ___ day of _____, 20__.

ATTACHMENT "E"
FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (the "Disclosure Certificate") is executed and delivered by the SUCCESSOR AGENCY TO THE CERES REDEVELOPMENT AGENCY (the "Successor Agency") in connection with the issuance of \$_____ aggregate principal amount of Successor Agency to the Ceres Redevelopment Agency Ceres Redevelopment Project Area No. 1 Subordinate Tax Allocation Refunding Bonds, Issue of 2019 (the "Bonds"). The Bonds are being issued pursuant to an Indenture of Trust, dated as of June 1, 2015, as supplemented by a First Supplemental Indenture of Trust, dated as of _____ 1, 20__ (collectively, the "Indenture"), by and between the Successor Agency and U.S. Bank National Association, as trustee (the "Trustee"). The Bonds shall be secured by a pledge, charge and lien upon Pledged Tax Revenues (as such term is defined in the Indenture). The Successor Agency covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings when used in this Disclosure Certificate:

"*Annual Report*" shall mean any Annual Report provided by the Successor Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Beneficial Owner*" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"*Dissemination Agent*" shall mean Urban Futures, Inc. or any successor Dissemination Agent designated in writing by the Successor Agency and which has filed with the Successor Agency a written acceptance of such designation. In the absence of such a designation, the Successor Agency shall act as the Dissemination Agent.

"*EMMA*" or "*Electronic Municipal Market Access*" means the centralized on-line repository for documents to be filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

"*Listed Events*" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Participating Underwriter*" shall mean any original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"*Rule*" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Successor Agency for the benefit of the owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 3. Provision of Annual Reports.

(a) *Delivery of Annual Report.* The Successor Agency shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the Successor Agency's fiscal year (which currently ends on June 30), commencing with the report for the 2018-19 Fiscal Year, which is due not later than March 31, 2020, file with EMMA, in a readable PDF or other electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Successor Agency may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

(b) *Change of Fiscal Year.* If the Successor Agency's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b), and subsequent Annual Report filings shall be made no later than nine months after the end of such new fiscal year end.

(c) *Delivery of Annual Report to Dissemination Agent.* Not later than fifteen (15) Business Days prior to the date specified in subsection (a) (or, if applicable, subsection (b)) of this Section 3 for providing the Annual Report to EMMA, the Successor Agency shall provide the Annual Report to the Dissemination Agent (if other than the Successor Agency). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the Successor Agency.

(d) *Report of Non-Compliance.* If the Successor Agency is the Dissemination Agent and is unable to file an Annual Report by the date required in subsection (a) (or, if applicable, subsection (b)) of this Section 3, the Successor Agency shall send a notice to EMMA substantially in the form attached hereto as Exhibit A. If the Successor Agency is not the Dissemination Agent and is unable to provide an Annual Report to the Dissemination Agent by the date required in subsection (c) of this Section 3, the Dissemination Agent shall send a notice to EMMA in substantially the form attached hereto as Exhibit A.

(e) *Annual Compliance Certification.* The Dissemination Agent shall, if the Dissemination Agent is other than the Successor Agency, file a report with the Successor Agency certifying that the Annual Report has been filed with EMMA pursuant to Section 3 of this Disclosure Certificate, stating the date it was so provided and filed.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) *Financial Statements.* Audited financial statements of the Successor Agency for the preceding fiscal year, prepared in accordance with generally accepted accounting principles. If the Successor Agency's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) *Other Annual Information.* To the extent not included in the audited financial statements of the Successor Agency, the Annual Report shall also include financial and operating data with respect to the Successor Agency for the preceding fiscal year, as follows:

(i) The information for the most recent Fiscal Year substantially in the format set forth under the heading ["PLEGGED TAX REVENUES—Schedule of Historical Incremental Revenues."]

- (ii) The information for the most recent fiscal year substantially in the format set forth under the heading ["THE PROJECT AREA—Largest Taxpayers."]
- (iii) Assessment appeals data in the form of Table __ in the Official Statement.
- (iv) The coverage ratio provided by Pledged Tax Revenues in the Project Area with respect to debt service on the Bonds, the 2015 Bonds and any parity debt for the current fiscal year only, in the form of Table __ in the Official Statement without any requirement to update any projected Pledged Tax Revenues set forth in Table __.

(c) *Cross References.* Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Successor Agency or related public entities, which are available to the public on EMMA. The Successor Agency shall clearly identify each such other document so included by reference.

If the document included by reference is a final official statement, it must be available from EMMA.

(d) *Further Information.* In addition to any of the information expressly required to be provided under paragraph (b) of this Section 4, the Successor Agency shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Listed Events.

(a) The Successor Agency shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
- (7) Modifications to rights of Bond holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.

- (12) Bankruptcy, insolvency, receivership or similar event of the Successor Agency or other obligated person.
- (13) The consummation of a merger, consolidation, or acquisition involving the Successor Agency or an obligated person, or the sale of all or substantially all of the assets of the Successor Agency or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a financial obligation of the Successor Agency or an obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Successor Agency or an obligated person, any of which affect Bond holders, if material.
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Successor Agency or an obligated person, any of which reflect financial difficulties.

(b) Whenever the Successor Agency obtains knowledge of the occurrence of a Listed Event, the Successor Agency shall, or shall cause the Dissemination Agent (if not the Successor Agency) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of a Listed Event described in subsection (a)(8) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The Successor Agency acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The Successor Agency shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the Successor Agency obtains knowledge of the occurrence of any of these Listed Events, the Successor Agency will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the Successor Agency will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Successor Agency in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Successor Agency, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Successor Agency.

(e) For purposes of the events identified in paragraphs (a)(15) and (a)(16) above, the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i)

or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 6. Identifying Information for Filings with EMMA. All documents provided to EMMA under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Successor Agency's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Successor Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent.

(a) *Appointment of Dissemination Agent*. The Successor Agency may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate and may discharge any such agent, with or without appointing a successor Dissemination Agent. If the Dissemination Agent is not the Successor Agency, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Successor Agency pursuant to this Disclosure Certificate. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with EMMA shall be prepared and provided to it by the Successor Agency. The Dissemination Agent has undertaken no responsibility with respect to the content of any reports, notices or disclosures provided to it under this Disclosure Certificate and has no liability to any person, including any Bond owner, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the Successor Agency shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition, except as may be provided by written notice from the Successor Agency.

(b) *Compensation of Dissemination Agent*. The Dissemination Agent shall be paid compensation by the Successor Agency for its services provided hereunder in accordance with its schedule of fees as agreed to between the Dissemination Agent and the Successor Agency from time to time and all expenses, legal fees and expenses and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the Successor Agency, owners or Beneficial Owners, or any other party. The Dissemination Agent may rely, and shall be protected in acting or refraining from acting, upon any direction from the Successor Agency or an opinion of nationally recognized bond counsel. The Dissemination Agent may at any time resign by giving written notice of such resignation to the Successor Agency. The Dissemination Agent shall not be liable hereunder except for its negligence or willful misconduct.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Successor Agency may amend this Disclosure Certificate (and the Dissemination Agent shall agree to any amendment so requested by the Successor Agency that does not impose any greater duties or risk of liability on the Dissemination Agent), and any provision of this Disclosure Certificate may be waived, provided that all of the following conditions are satisfied:

(a) *Change in Circumstances*. If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or the type of business conducted.

(b) *Compliance as of Issue Date*. The undertaking, as amended or taking into account such waiver, would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) *Consent of Holders; Non-impairment Opinion.* The amendment or waiver either (i) is approved by the Bond owners in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Bond owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bond owners or Beneficial Owners.

If this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the Successor Agency shall describe such amendment or waiver in the next following Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Successor Agency. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Successor Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Successor Agency chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Successor Agency shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Successor Agency to comply with any provision of this Disclosure Certificate, any Certificate owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency to comply with their obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the Successor Agency to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. Article VIII of the Indenture is hereby made applicable to this Disclosure Certificate as if this Disclosure Certificate was (solely for this purpose) contained in the Indenture. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and no implied covenants or obligations shall be read into this Disclosure Certificate against the Dissemination Agent, and the Successor Agency agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have the same rights, privileges and immunities hereunder as are afforded to the Trustee under the Indenture. The obligations of the Successor Agency under this Section 12 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Successor Agency, the Dissemination Agent, the Participating Underwriter and the owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: [Closing Date]

SUCCESSOR AGENCY TO THE CERES
REDEVELOPMENT AGENCY

By _____
Name _____
Title _____

ACKNOWLEDGED:

URBAN FUTURES, INC., as Dissemination Agent

By _____
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: Successor Agency to the Ceres Redevelopment Agency
Names of Issues: Successor Agency to the Ceres Redevelopment Agency Ceres Redevelopment
Project Area No. 1 Subordinate Tax Allocation Refunding Bonds, Issue of 2019
Date of Issuance: [Closing Date]

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issues as required by the Continuing Disclosure Certificate, dated [Closing Date], furnished by the Obligor in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

URBAN FUTURES, INC., Dissemination Agent

By _____
Authorized Officer