

**\$45,874,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A**

**AND**

**\$2,669,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAXABLE TAX ALLOCATION REFUNDING BONDS, SERIES 2017B**

**AND**

**\$2,669,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017B  
(PRIVATE ACTIVITY-AMT)**

PRE-CLOSING: September 27, 2017, 1:00 p.m.

CLOSING: September 28, 2017, 10:00 a.m.

Nossaman LLP

18101 Von Karman Avenue, Suite 1800

Irvine, California 92612

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Any of the documents listed below which have not been executed beforehand will be executed prior to the funding date. If you are supplying documents, please supply five (5) executed copies.

**CLOSING DOCUMENTS**

SECTION A – BASIC LEGAL DOCUMENTS

1. Indenture of Trust
2. Escrow Agreement between the Successor Agency and U.S Bank National Association (the “2017A Escrow Bank”) dated the Closing Date and relating to the 2005 Series B Bonds and the 2011 Bonds
3. Escrow Agreement between the Successor Agency and The Bank of New York Mellon Trust Company, N.A. (the “2017B Escrow Bank”) dated the Closing Date and relating to the 1999 Bonds
4. Specimen Bonds
5. Certificate Regarding City and Successor Agency Resolutions
6. Certificate Regarding Oversight Board Resolution

7. Resolution No. 2012-15 of the City, adopted January 10, 2012, designating the City as the Successor Agency to the Community Development Commission as the National City Redevelopment Agency
8. Resolution No. 2017-07 of the Oversight Board, adopted June 21, 2017, Approving the Issuance and Sale of Tax Allocation Refunding Bonds by the Successor Agency to the Community Development Commission as the National City Redevelopment Agency and Authorizing Certain Actions in Connection Therewith
9. Resolution No. 2017-91 of the Successor Agency, adopted June 20, 2017, Authorizing the Issuance and Sale of Tax Allocation Refunding Bonds, and Approving the Form of an Indenture, and Authorizing Certain Other Actions in Connection Therewith
10. Department of Finance Approvals of Refunding

#### SECTION B –CLOSING CERTIFICATES

11. Closing and Delivery Costs Certificate of the Agency
12. Tax Certificate (w/ Certificate of Original Purchaser)
13. Purchaser Letters
14. Closing Certificate of The Bank of New York Mellon Trust Company, N.A., as the Trustee for the Bonds, 2017B Escrow Bank and Prior Trustee (with an Incumbency Certificate)
15. Closing Certificate of U.S Bank National Association as the 2017A Escrow Bank, and the 2017A Prior Trustee (w/an Incumbency Certificate)
16. Delivery Certificates and Cross-Receipts
17. Closing Certificate of Financial Advisor
18. Closing Certificate of Fiscal Consultant

#### SECTION C - LEGAL OPINIONS

19. Final Opinions of Bond Counsel
20. Opinion of Agency Counsel
21. Defeasance Opinion for the 2005B Bonds and the 2011 Bonds
22. Defeasance Opinion for the 1999 Bonds
23. Opinion of Counsel to The Bank of New York Mellon Trust Company, N.A. as the Trustee for the Bonds and 2017B Escrow Bank
24. Opinion of Counsel to U.S Bank National Association as the 2017A Escrow Bank

SECTION D – MISCELLANEOUS

25. IRS Forms 8038
26. Report of Proposed Debt Issuance
27. Notice of Final Sale
28. Fiscal Consultant Report
29. Verification Report
30. Closing Memoranda
31. Distribution List

**INDENTURE OF TRUST**

**Dated as of September 1, 2017**

**by and between the**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE  
NATIONAL CITY REDEVELOPMENT AGENCY**

**and**

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

**Relating to**

**\$45,874,000**

**Successor Agency to the Community Development Commission as the National City  
Redevelopment Agency  
Tax Allocation Refunding Bonds, Series 2017A**

**and**

**\$2,669,000**

**Successor Agency to the Community Development Commission as the National City  
Redevelopment Agency  
Taxable Tax Allocation Refunding Bonds, Series 2017B**

**and**

**\$2,669,000**

**Successor Agency to the Community Development Commission as the National City  
Redevelopment Agency  
Tax Allocation Refunding Bonds, Series 2017B (Private Activity-AMT)**

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## INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this “Indenture”) is made and entered into and dated as of September 1, 2017, by and between the SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY, a public entity duly existing under the laws of the State of California (the “Successor Agency”), as successor to the redevelopment activities of the Community Development Commission as the National City Redevelopment Agency (the “Prior Agency”) and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and existing under the laws of the United States of America, as trustee (the “Trustee”);

### WITNESSETH:

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

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

**WHEREAS**, in order to finance and refinance redevelopment activities within or of benefit to the Project Area, the Prior Agency issued certain outstanding bonds more fully described herein (collectively, the “Prior Obligations”);

**WHEREAS**, by implementation of California Assembly Bill X1 26, which amended provisions of the Law, and the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos*, the redevelopment components of the Prior Agency were dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (as amended, the “Dissolution Act”), and on February 1, 2012, the Successor Agency, in accordance with Resolution No. 2012-15 adopted by the City Council of the City on January 10, 2012 and pursuant to the Dissolution Act, assumed certain redevelopment components, including the redevelopment related duties and obligations, of the Prior Agency as provided in the Dissolution Act, including, without limitation, the obligations of the Prior Agency under the Prior Obligations and the related documents to which the Prior Agency was a party;

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

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

**WHEREAS**, in order to provide moneys to refund the Prior Obligations (as defined herein) for the purpose of providing debt service savings in accordance with Section 34177.5(a)(1), the Successor Agency has determined to issue its Tax Allocation Refunding Bonds, Series 2017A (the “2017A Bonds”), its Taxable Tax Allocation Refunding Bonds, Series 2017B (“Taxable 2017B Bonds”) and its Tax Allocation Refunding Bonds, Series 2017B (Private Activity-AMT) (the “AMT 2017B Bonds” and, together with the 2017A Bonds and the Taxable 2017B Bonds, the “2017 Bonds”);

**WHEREAS**, the 2017 Bonds will be issued pursuant to and in accordance with the provisions of Section 34177.5(a)(1) of the California Health and Safety Code, the Law and the Refunding Law;

**WHEREAS**, in order to provide for the authentication and delivery of the 2017 Bonds, to establish and declare the terms and conditions upon which the 2017 Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and redemption premium (if any) thereon, the Successor Agency and the Trustee have duly authorized the execution and delivery of this Indenture; and

**WHEREAS**, the Successor Agency has determined that all acts and proceedings required by law necessary to make the 2017 Bonds when executed by the Successor Agency, and authenticated and delivered by the Trustee, the valid, binding and legal special obligations of the Successor Agency, and to constitute this Indenture a legal, valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken;

**NOW, THEREFORE, THIS INDENTURE WITNESSETH**, that in order to secure the payment of the principal of and the interest and redemption premium (if any) on all the Bonds (as defined below), including the 2017 Bonds, issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds, including the 2017 Bonds, are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds, including the 2017 Bonds, by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Successor Agency and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Bonds, including the 2017 Bonds, as follows:

## **ARTICLE I**

### **DETERMINATIONS; DEFINITIONS**

**1.01 Findings and Determinations.** The Successor Agency has reviewed all proceedings heretofore taken and, as a result of such review, hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the 2017 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Successor Agency is now duly empowered, pursuant to each and every requirement of law, to issue the 2017 Bonds in the manner and form provided in this Indenture.

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

**“AMT 2017B Bonds”** means the \$2,669,000 initial aggregate principal amount of Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017B (Private Activity-AMT).

**“Annual Debt Service”** means all scheduled principal and interest payments coming due in a Bond Year.

**“Bond Register”** means the registration books for the Bonds maintained by the Trustee in accordance with Section 2.08 hereof.

**“Bonds”** means the 2017 Bonds and any Parity Debt issued pursuant to a Supplemental Indenture.

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

**“Bond Year”** means each twelve (12) month period extending from August 2 in one calendar year to August 1 of the succeeding calendar year, both dates inclusive; provided that the first Bond Year with respect to the 2017 Bonds shall commence on the Closing Date and end on August 1, 2018.

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

**“City”** means the City of National City.

**“Closing Date”** means the date on which a series of Bonds is delivered by the Successor Agency to the original purchaser thereof. The Closing Date with respect to the 2017A Bonds and Taxable 2017B Bonds is September 28, 2017 and the Closing Date with respect to the AMT 2017B Bonds is November 3, 2017.

**“Code”** means the Internal Revenue Code of 1986 as in effect on the date of issuance of the 2017 Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the 2017 Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

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

the Bonds, administrative costs of the Successor Agency and the City incurred in connection with the issuance of the Bonds, expenses of the underwriters of the Bonds, and any other cost, charge or fee in connection with the original issuance of the Bonds.

“**Costs of Issuance Fund**” means the fund by that name established and held by the Trustee pursuant to Section 3.05.

“**County**” means the County of San Diego.

“**Date of Taxability**” means the date from and for which interest on any Bonds issued on a tax-exempt basis, including but not limited to the 2017A Bonds and AMT 2017B Bonds, is subject to federal income taxation as a result of a Determination of Taxability.

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

“**Default Rate**” means the interest rate equal to the rate then in effect on the Bonds plus 4.00% (i.e., 400 basis points).

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

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

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

**“Determination of Taxability”** means any determination, decision, or decree made by the Commissioner or any District Director of the Internal Revenue Service, or by any court of competent jurisdiction, that the interest payable on any Bonds issued on a tax-exempt basis, including but not limited to the 2017A Bonds and AMT 2017B Bonds, is includable in the gross income for federal income tax purposes of the Owners of the Bonds; *provided, however*, that no such Determination of Taxability shall be deemed to have occurred if (i) the Successor Agency is contesting such determination, has elected to contest such determination in good faith and is proceeding diligently to prosecute such contest until the earliest of (a) a final determination from which no appeal may be taken with respect to such determination, or (b) abandonment of such appeal by the Successor Agency, or (ii) if the Successor Agency did not cause or is not responsible for the Determination of Taxability.

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

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

**“DTC Participants”** means securities brokers and dealers, banks, trust companies, clearing corporations and other organizations maintaining accounts with DTC.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“**Interest Payment Date**” means each February 1 and August 1, commencing February 1, 2018, for so long as any of the Bonds remain Outstanding hereunder.

“**Last and Final ROPS**” means a Last and Final Recognized Obligation Payment Schedule authorized by Section 34191.6 of the Dissolution Act.

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

“**Material Adverse Effect**” means (a) with respect to the Successor Agency, a material and adverse effect on the financial condition or operations of the Successor Agency or the ability of the Successor Agency to timely pay the principal of and interest on the Bonds, or (b) with respect to this Indenture, a material adverse effect upon (i) the enforceability of this Indenture, (ii) the ability of the Successor Agency to perform its obligations under this Indenture, or (iii) the rights of or benefits or remedies available to the Original Purchaser under this Indenture.

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

“**Original Purchaser**” means Compass Mortgage Corporation, an Alabama corporation, as original purchaser of the 2017 Bonds, its successors and assigns, or any subsequent Owner or Owners of the 2017 Bonds.

“**Outstanding**” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.06) all Bonds except:

- (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;
  - (b) Bonds paid or deemed to have been paid within the meaning of Section 9.04;
- and
- (c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Successor Agency pursuant hereto.

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

“**Owner**” or “**Bondowner**” means, with respect to any Bond, the person in whose name the ownership of such Bond shall be registered on the Registration Books. The initial Bondowner is Compass Mortgage Corporation, an Alabama corporation.

“**Parity Debt**” means any additional bonds, loans, advances or indebtedness issued or incurred by the Successor Agency on a parity with the 2017 Bonds pursuant to Section 3.08, whether issued as Bonds under a Supplemental Indenture or issued under a Parity Debt Instrument.

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

“**Permitted Investments**” means any of the following which, at the time of investment, are legal investments under the laws of the State for the moneys proposed to be invested therein and are in compliance with the Successor Agency’s investment policies then in effect (provided that the

Trustee shall be entitled to rely upon any investment direction from the Successor Agency as conclusive certification to the Trustee that investments described therein are legal and are in compliance with the Successor Agency's investment policies then in effect), but only to the extent the same are acquired at Fair Market Value:

(a) Federal Securities;

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

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

(d) Money market mutual funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of at least AAAm-G, AAAM or AAm, and a rating by Moody's of Aaa, Aa1 or Aa2 (such funds may include those for which the Trustee or an affiliate receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise);

(e) Certificates of deposit (including those placed by a third party pursuant to an agreement between the Successor Agency and the Trustee), savings accounts, deposit accounts or money market deposits, bank deposit products (including those of the Trustee and its affiliates), but only to the extent that the amount being invested in such certificates of deposit, savings accounts, deposit accounts or money market deposits are fully insured by FDIC, including BIF and SAIF;

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

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

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

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

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

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

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

“**Pledged Tax Revenues**” means all taxes (i) that were eligible for allocation to the Prior Agency with respect to the Project Area and are allocated to the Successor Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws and (ii) that are deposited or available for deposit by the Auditor-Controller of the County in the Redevelopment Property Tax Trust Fund, all as provided in Section 34172(d) of the Dissolution Act.

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

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

“**Prior Agency**” means the Community Development Commission as the National City Redevelopment Agency.

“**Prior Obligations**” means, collectively, the 1999 Bonds, the 2005 Series B Bonds and the 2011 Bonds.

“**Project Area**” means the National City Downtown Redevelopment Project Area.

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

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

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

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

“**Redevelopment Plan**” means the Redevelopment Plan for the National City Downtown Redevelopment Project Area, which was adopted and approved by Ordinance No. 1233, adopted by the City Council of the City on November 18, 1969, and as such Redevelopment Plan has been further amended and as it may hereafter be amended in accordance with the law.

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

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

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

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

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

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

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

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

“**Representation Letter**” means, with respect to Section 2.11(b) hereof, a representation letter from the Successor Agency to, or other instrument or agreement of the Successor Agency with, DTC in which the Successor Agency, among other things, makes certain representations to DTC with respect to the Bonds, the payment thereof and delivery of notices with respect thereto.

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

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

**“S&P”** means S&P Global Ratings, and its successors.

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

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

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

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

**“Subordinate Debt”** means bonds or other debt payable from Pledged Tax Revenues on a subordinate basis to Bonds.

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

**“Taxable Rate”** means the interest rate equal to the interest rate on Bonds issued on a tax-exempt basis, including but not limited to the 2017 Bonds, adjusted to a taxable rate by dividing the interest rate otherwise applicable to such Bonds by 65%.

**“Taxable 2017B Bonds”** means the \$2,669,000 initial aggregate principal amount of Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017B.

**“Term Bonds”** means that portion of any Bonds payable from mandatory sinking account payments.

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

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

**“Yield Maintenance Premium”** has the meaning set forth in Schedule I hereto.

**“1999 Bonds”** means the Community Development Commission of the City of National City 1999 Tax Allocation Housing Bonds (National City Downtown Redevelopment Project).

**“2005 Series B Bonds”** means the Community Development Commission of the City of National City (National City Redevelopment Project) 2005 Tax Allocation Refunding Bonds, Series B.

**“2011 Bonds”** means the Community Development Commission of the City of National City (National City Redevelopment Project) 2011 Tax Allocation Bonds.

**“2017 Bonds”** means the 2017A Bonds, Taxable 2017B Bonds and the AMT 2017B Bonds.

**“2017A Bonds”** means the \$45,874,000 initial aggregate principal amount of Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A.

**“2017A Escrow Agreement”** means the escrow agreement by and between the Successor Agency and the 2017A Escrow Bank dated the Closing Date and relating to the refunding of the 2005 Series B Bonds and the 2011 Bonds.

**“2017B Escrow Agreement”** means the escrow agreement by and between the Successor Agency and the 2017B Escrow Bank dated the Closing Date and relating to the refunding of the 1999 Bonds.

**“2017A Escrow Bank”** shall mean US Bank National Association.

**“2017B Escrow Bank”** shall mean The Bank of New York Mellon Trust Company, N.A.

**“2017A Refunding Fund”** means the refunding fund established and held by the Trustee for the refunding of the 2005 Series B Bonds and the 2011 Bonds, pursuant to Section 3.06.

**“2017B Refunding Fund”** means the refunding fund established and held by the Trustee for the refunding of the 1999 Bonds, pursuant to Section 3.07.

**“2017A Subaccount”** means a subaccount of either the Costs of Issuance Fund established under Section 3.06 hereof or the Debt Service Fund established under Section 4.03 hereof, in each case solely to hold funds associated with the 2017A Bonds and/or for the benefit of the Owners of the 2017A Bonds.

**“2017B Subaccount”** means a subaccount of either the Costs of Issuance Fund established under Section 3.07 hereof or the Debt Service Fund established under Section 4.03 hereof, in each case solely to hold funds associated with the 2017B Bonds and/or for the benefit of the Owners of the 2017B Bonds.

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

**ARTICLE II  
AUTHORIZATION AND TERMS**

**2.01 Authorization of 2017 Bonds.** The 2017 Bonds are hereby authorized to be issued by the Successor Agency under and subject to the terms of this Indenture, the Refunding Law, the Dissolution Act and the Law. This Indenture constitutes a continuing agreement with the Owners of all of the Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal and redemption premiums (if any) and the interest on all Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. Such initial issue of Bonds shall be issued in three series, designated, respectively, the (i) “Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A,” (ii) “Successor Agency to the Community Development Commission as the National City Taxable Tax Allocation Refunding Bonds, Series 2017B, and (iii) “Successor Agency to the Community Development Commission as the National City Tax Allocation Refunding Bonds, Series 2017B (Private Activity-AMT).” The 2017A Bonds shall be issued in the initial aggregate principal amount of \$45,874,000, the Taxable 2017B Bonds shall be issued in the initial aggregate principal amount of \$2,669,000 and the AMT 2017B Bonds shall be issued in the initial aggregate principal amount of \$2,669,000.

**2.02 Terms of 2017 Bonds.** The 2017 Bonds shall be issued in fully registered form without coupons. The 2017 Bonds shall be issued in denominations of \$1,000 or any integral multiple thereof, so long as no 2017 Bond shall have more than one maturity date. The 2017 Bonds shall be dated as of their respective Closing Date. The 2017 Bonds shall be lettered and numbered as the Original Purchaser shall prescribe.

The 2017A Bonds shall mature on the following date and bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rate per annum as follows:

<i><b>Maturity Date</b></i> <i><b>(August 1)</b></i>	<i><b>Principal</b></i> <i><b>Amount</b></i>	<i><b>Interest</b></i> <i><b>Rate</b></i>
2032*	\$45,874,000	2.49%

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\*Term Bond.

The Taxable 2017B Bonds shall mature on the following date and bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rate per annum as follows:

<i><b>Maturity Date</b></i>	<i><b>Principal</b></i> <i><b>Amount</b></i>	<i><b>Interest</b></i> <i><b>Rate</b></i>
November 3, 2017	\$2,669,000	3.630%

The AMT 2017B Bonds shall mature on the following date and bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rate per annum as follows:

<i>Maturity Date (August 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
2029*	\$2,669,000	2.36%

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\*Term Bond

The 2017A Bonds and AMT 2017B Bonds shall each bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) each is authenticated after a Record Date and on or before the following Interest Payment Date, in which event each shall bear interest from such Interest Payment Date; or (b) each is authenticated on or before January 15, 2018, in which event each shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of the 2017A Bonds or AMT 2017B Bonds, interest thereon is in default, the 2017A Bonds or AMT 2017B Bonds shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

The Taxable 2017B Bonds shall bear interest from their Closing Date.

From and after a Date of Taxability all Bonds issued on a tax-exempt basis, including but not limited to the 2017A Bonds and AMT 2017B Bonds, shall bear interest at the Taxable Rate, or if an Event of Default has occurred and is continuing (excluding an Event of Default related to the Successor Agency's failure to comply with Section 5.11 hereof), all Bonds shall bear interest at their respective Default Rates until such Event of Default is cured.

Interest on the 2017 Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed on the Interest Payment Date, to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of the 2017 Bonds, which written request is on file with the Trustee as of any Record Date, interest on such 2017 Bonds shall be paid on the succeeding Interest Payment Date by wire to such account in the United States as shall be specified in such written request. The principal of the 2017 Bonds and premium, if any, upon redemption, are payable in lawful money of the United States of America upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee.

Notwithstanding anything herein to the contrary, so long as the 2017 Bonds are owned by the Original Purchaser, (i) the Trustee shall pay principal of and interest and redemption premium, if any, on the 2017 Bonds when due by wire transfer in immediately available funds to the Original Purchaser in accordance with such wire transfer instructions as shall be filed by the Original Purchaser with the Trustee from time to time, (ii) payments of principal on the 2017 Bonds shall be made without the requirement for presentation and surrender to the Original Purchaser, provided that principal which is payable at maturity shall be made only upon presentation and surrender at the Principal Office of the Trustee, and (iii) the Trustee shall not be required to give notice to the Original Purchaser of the sinking fund payments described in Section 2.03(b).

The Original Purchaser agrees that payment of the principal on the maturity date of the Taxable 2017B Bonds shall be satisfied by the delivery by the Successor Agency of the AMT 2017B Bonds to the Original Purchaser in the principal amount of \$2,669,000 with an interest rate of 2.360%, pursuant to Section 3.04 of the Indenture, and interest due and payable on and as of the

maturity date of the Taxable 2017B Bonds shall be payable on the first Interest Payment Date, February 1, 2018.

### **2.03 Redemption of 2017 Bonds**

(a) Optional Redemption. The Taxable 2017B Bonds are not subject to redemption. The 2017A Bonds and AMT 2017B Bonds may be called for redemption and payment in advance of their stated maturity date, at the option of the Successor Agency, in whole, or with the consent of the Original Purchaser, in part, on any Interest Payment Date at a redemption price equal to the principal amount of the 2017A Bonds or AMT 2017B Bonds so redeemed plus accrued interest thereon to the date of such redemption, together with any applicable Yield Maintenance Premium that may be due as a result of such redemption (as determined pursuant to Schedule I attached hereto, which may or may not include a premium based on market conditions at the time of such redemption); provided, however, the 2017A Bonds or AMT 2017 B Bonds may be redeemed on any Interest Payment Date on or after February 1, 2028 at a redemption price equal to the principal amount of the 2017A Bonds or AMT 2017B Bonds so redeemed plus accrued interest thereon to the date of such redemption, without Yield Maintenance Premium. The redemption price of the 2017A Bonds or AMT 2017B Bonds described above shall be calculated by the Original Purchaser and verified by an independent accounting firm, investment banking firm or financial advisor (which accounting firm, banking firm or financial advisor shall be retained by the Successor Agency at the expense of the Successor Agency). The Trustee and the Successor Agency may conclusively rely on such accounting firm's, investment banking firm's or financial advisor's verification of such redemption price and shall bear no liability for such reliance.

The Successor Agency shall be required to give the Trustee written notice of its intention to redeem 2017A Bonds and AMT 2017B Bonds under this subsection (a) with a designation of the principal amount and maturities to be redeemed at least forty five (45) days prior to the date fixed for such redemption (or such later date as shall be acceptable to the Trustee in the sole determination of the Trustee), and shall transfer to the Trustee for deposit in the 2017A Subaccount or 2017B Subaccount (as applicable) of the Debt Service Fund all amounts required for such redemption not later than the date fixed for such redemption.

(b) Mandatory Sinking Fund Redemption. (i) The 2017A Bonds shall be subject to mandatory redemption in whole, or in part by lot, on August 1 in each year, commencing August 1, 2018, as set forth below, from sinking fund payments made by the Successor Agency to the Principal Account pursuant to Section 4.03(b), at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on August 1 in the respective years as set forth in the following table; provided however, if some but not all of such 2017A Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such 2017A Bonds so redeemed, to be allocated pro rata among such future sinking fund payments in integral multiples of \$1,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee, which shall include a revised sinking fund schedule).

**2017A Term Bonds of 2032**

<i>Sinking Fund Redemption Date (August 1)</i>	<i>Principal Amount</i>
2018	\$ 2,964,000
2019	2,918,000
2020	2,991,000
2021	2,923,000
2022	2,996,000
2023	3,066,000
2024	3,139,000
2025	3,217,000
2026	2,949,000
2027	2,933,000
2028	2,998,000
2029	3,023,000
2030	3,348,000
2031	3,165,000
2032 (Maturity)	3,244,000

(ii) The AMT 2017B Bonds shall be subject to mandatory redemption in whole, or in part by lot, on August 1 in each year, commencing August 1, 2018, as set forth below, from sinking fund payments made by the Successor Agency to the Principal Account pursuant to Section 4.03(b), at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on August 1 in the respective years as set forth in the following table; provided however, if some but not all of such AMT 2017B Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such AMT 2017B Bonds so redeemed, to be allocated pro rata among such future sinking fund payments in integral multiples of \$1,000 as determined by the Successor Agency (notice of which determination shall be given by the Successor Agency to the Trustee, which shall include a revised sinking fund schedule).

**AMT 2017B Term Bonds of 2029**

<i>Sinking Fund Redemption Date (August 1)</i>	<i>Principal Amount</i>
2018	\$ 202,000
2019	198,000
2020	203,000
2021	208,000
2022	212,000
2023	220,000
2024	224,000
2025	231,000
2026	233,000
2027	240,000
2028	246,000
2029 (Maturity)	252,000

(c) Notice of Redemption; Rescission. The Trustee on behalf, and at the expense, of the Successor Agency shall send notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Bond Register, and to the Original Purchaser of the Bonds or electronically in accordance with the procedures of DTC with respect to any Bonds registered as book-entry Bonds as provided in Section 2.11(b) hereof, at least thirty (30) but not more than sixty (60) days prior to the date fixed for redemption. Neither failure to receive any such notice so sent nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state, in the case of a redemption pursuant to (a) above, that such redemption is conditioned upon the timely delivery of the redemption price by the Successor Agency to the Trustee for deposit in the Redemption Account, shall designate the CUSIP number of the Bonds to be redeemed (with respect to any Bonds other than the 2017 Bonds, which shall not have CUSIPs), shall state the individual number of each Bond to be redeemed or shall state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding are to be redeemed, and shall require that such Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

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

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds (other than the 2017 Bonds, which shall not have CUSIP numbers) being redeemed with the proceeds of such check or other transfer.

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

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

(f) Manner of Redemption. Whenever any Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the Successor Agency thereof to the extent Bonds are no longer held in book-entry form. In the event of redemption by lot of Bonds, the Trustee shall assign to each Bond then Outstanding a distinctive number for each \$1,000 of the principal amount of each such Bond. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Bond of a denomination of more than \$1,000 shall be redeemed as shall equal \$1,000 for each number assigned to it and so selected. All Bonds redeemed or purchased pursuant to this Section 2.03 shall be cancelled and destroyed.

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

**2.04 Forms of 2017 Bonds.** The 2017A Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the form set forth in Exhibit A, which is attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture. The Taxable 2017B Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the form set forth in Exhibit B, which is attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture. The AMT 2017B Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the form set forth in Exhibit C, which is attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

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

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

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

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

**Notwithstanding the foregoing, a Bondowner may only transfer the Bonds so long as all Outstanding Bonds are transferred together to a new Bondowner who has delivered an Purchaser Letter (in the form attached as Exhibit D hereto) to the Successor Agency and the Trustee.**

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

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

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

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

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

## **2.11 Book-Entry System.**

(a) All Bonds shall be initially issued in the form of a separate single certificated fully registered Bond for each maturity date of the Bonds. The 2017 Bonds shall be registered in the Bond Register in the name of the Original Purchaser of the 2017 Bonds and shall not be delivered in book-entry form. Upon the request of the Owners of all Outstanding Bonds, the Successor Agency may elect to convert the Bonds to book-entry Bonds and such Bonds shall become subject to the provisions of this Section 2.11.

(b) With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the Successor Agency and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Bond Register, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The Successor Agency and the Trustee may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Bond Register, as provided in Section 2.08 hereof, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Successor Agency's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a certificated Bond evidencing the obligation of the Successor Agency to make payments of principal, premium, if any, and interest pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(c) The delivery of the Representation Letter shall not in any way limit the provisions of Section 2.11(b) hereof or in any other way impose upon the Successor Agency or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners, as shown on the Bond Register. The Trustee shall take all action necessary for all representations in the Representation Letter with respect to the Trustee to be complied with at all times.

(d) (i) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Successor Agency and the Trustee and discharging its responsibilities with respect thereto under applicable law.

(ii) The Successor Agency, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the Successor Agency determines that:

(A) DTC is unable to discharge its responsibilities with respect to the Bonds, or

(B) a continuation of the requirement that all Outstanding Bonds be registered in the Bond Register in the name of Cede & Co., or any other nominee of DTC, is not in the best interest of the beneficial owners of such Bonds.

(iii) Upon the termination of the services of DTC with respect to the Bonds pursuant to subsection 2.11(d)(ii)(B) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to subsection 2.11(d)(i) or subsection 2.11(d)(ii)(A) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Successor Agency, is willing and able to undertake such functions upon reasonable and customary terms, the Successor Agency is obligated to deliver Bond certificates, as described in this Indenture and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co. as nominee of DTC, but may be registered in whatever name or names DTC shall designate to the Trustee in writing, in accordance with the provisions of this Indenture.

(e) Notwithstanding any other provisions of this Indenture to the contrary, as long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal or, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

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

### ARTICLE III

#### DEPOSIT AND APPLICATION; ADDITIONAL DEBT

**3.01 Issuance of Bonds.** Upon the execution and delivery of this Indenture, the Successor Agency shall execute and deliver to the Trustee the (i) 2017A Bonds in the aggregate principal amount of \$45,874,000.00 and (ii) Taxable 2017B Bonds in the aggregate principal amount of \$2,669,000.00. On November 3, 2017, the Successor Agency shall execute and deliver to the Trustee the AMT 2017B Bonds in the aggregate principal amount of \$2,669,000 as provided in Section 3.04 hereof. The Trustee shall authenticate and deliver the 2017 Bonds upon the Written Request of the Successor Agency.

**3.02 Application of Proceeds of Sale of 2017A Bonds and Certain Other Amounts.** On the Closing Date, the proceeds of sale of the 2017A Bonds received by the Trustee shall be applied as follows:

(a) The Trustee shall deposit the amount of \$270,156.47 in the 2017A Subaccount of the Costs of Issuance Fund.

(b) The Trustee shall deposit \$45,603,843.53, being the remaining amount of proceeds of the 2017A Bonds in the 2017A Refunding Fund.

**3.03 Application of Proceeds of Sale of Taxable 2017B Bonds and Certain Other Amounts.** On the Closing Date, the proceeds of sale of the Taxable 2017B Bonds received by the Trustee shall be applied as follows: The Trustee shall deposit the amount of \$3,295.47 in the Interest Account within the 2017B Subaccount of the Debt Service Fund.

(b) The Trustee shall deposit the amount of \$27,497.56 in the 2017B Subaccount of the Costs of Issuance Fund.

(c) The Trustee shall deposit \$2,638,206.97, being the remaining amount of proceeds of the 2017B Bonds in the 2017B Refunding Fund.

**3.04 Issuance of AMT 2017B Bonds.** Subject to the delivery of (i) an opinion of Bond Counsel that the interest accruing on the AMT 2017B Bonds is not includable in the gross income for federal income tax purposes of the Owners of the AMT 2017B Bonds and (ii) a Purchaser Letter (in the form attached as Exhibit D hereto) to the Successor Agency and the Trustee regarding the AMT 2017B Bonds, on November 3, 2017, the Trustee shall authenticate (at the Written Direction of the Successor Agency) and deliver the AMT 2017B Bonds to the holder of the Taxable 2017B Bonds in full satisfaction of the principal amount of the Taxable 2017B Bonds due on such date. No funds shall exchange hands in the deemed exchange.

**3.05 Costs of Issuance Fund.** There is hereby established a separate fund to be known as the “Costs of Issuance Fund”, which shall be held by the Trustee in trust, and which shall consist of a 2017A Subaccount and a 2017B Subaccount. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance with respect to the 2017 Bonds upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. Each such Written Request of the Successor Agency shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On the date which is six (6) months following the Closing Date with respect to the 2017 Bonds, or upon the earlier Written Request of the Successor Agency, all amounts (if any) remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee, and the amounts withdrawn from the 2017A Subaccount shall be transferred to the Interest Account within the 2017A Subaccount of the Debt Service Fund, and the amounts withdrawn from the 2017B Subaccount shall be transferred to the Interest Account within the 2017B Subaccount of the Debt Service Fund and the Costs of Issuance Fund shall be closed.

**3.06 2017A Refunding Fund.** There shall be established a separate and segregated fund to be known as the “2017A Refunding Fund.” On the Closing Date with respect to the 2017 Bonds, the Trustee shall transfer the \$45,603,843.53 on deposit in the 2017A Refunding Fund to the 2017A Escrow Bank for deposit pursuant to the 2017A Escrow Agreement. Upon making such transfer, the Trustee shall close the 2017A Refunding Fund.

**3.07 2017B Refunding Fund.** There shall be established a separate and segregated fund to be known as the “2017B Refunding Fund.” On the Closing Date with respect to the Taxable 2017B Bonds, the Trustee shall transfer the \$2,638,206.97 on deposit in the 2017B Refunding Fund to the 2017B Escrow Bank for deposit pursuant to the 2017B Escrow Agreement. Upon making such transfer, the Trustee shall close the 2017B Refunding Fund.

**3.08 Issuance of Parity Debt.** The Successor Agency may issue Parity Debt solely for the purpose of refunding (a) any Outstanding 2017 Bonds (including a portion thereof as provided in Section 2.03(a) hereof) or (b) other Parity Debt then Outstanding, or any portion thereof, that was issued to refund 2017 Bonds; and, in each case, in such principal amount as shall be determined by the Successor Agency. The Successor Agency may issue and deliver any such Parity Debt subject to the following specific conditions all of which are hereby made conditions precedent to the issuance of such Parity Debt:

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

(b) The Parity Debt shall be issued in compliance with Health and Safety Code section 34177.5;

(c) Annual Debt Service on such Parity Debt shall be less in each year than the Annual Debt Service then remaining on any Outstanding 2017 Bonds, Parity Debt, or portion thereof, being refunded by such Parity Debt; and

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

This Section 3.08 shall not apply to the AMT 2017B Bonds expected to be issued on their Closing Date.

**3.09 Issuance of Subordinate Debt.** Notwithstanding the foregoing, no provision herein shall prevent the Successor Agency from issuing additional bonds or incurring other loans, advances or indebtedness payable from Pledged Tax Revenues on a subordinate basis to the Bonds; provided that no payments shall be made on subordinate obligations in any Bond Year until all deposits have been made to the Special Fund for such Bond Year pursuant to Section 4.02.

## ARTICLE IV

### SECURITY OF BONDS; FLOW OF FUNDS

**4.01 Security of Bonds; Equal Security.** Subject to the provisions of Section 4.02 and Section 6.06 hereof allowing for the application of Pledged Tax Revenues, all Pledged Tax Revenues and the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and all amounts in the Redevelopment Property Tax Trust Fund, including without limitation any override tax revenues attributable to tax rate overrides levied by taxing agencies within the Project Area that were pledged to the Prior Obligations, are irrevocably pledged under this Indenture to secure the payment of the principal of and interest or redemption premium (if any) on the 2017 Bonds and all Parity Debt without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Such pledge shall constitute a first and exclusive lien on and security interest in the Pledged Tax Revenues and the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and all amounts in the Redevelopment Property Tax Trust Fund, including without limitation any override tax revenues attributable to tax rate overrides levied by taxing agencies within the Project Area that were pledged to the Prior Obligations, and will attach, be perfected and be valid and binding against all parties having claims of any kind in tort, contract or

otherwise against the Successor Agency, irrespective of whether such parties have notice of this Indenture; provided however, the parties hereto acknowledge that the Auditor-Controller of the County is authorized by Section 34183(a) of the Dissolution Act to use Pledged Tax Revenues to pay the County's administrative costs allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code and is required by Section 34183(a)(1) of the Dissolution Act to pay Pledged Tax Revenues to taxing entities pursuant to Sections 33607.5 and 33607.7 of the Law (unless such payments are subordinated to payments on the 2017 Bonds and Parity Debt). Except for the Pledged Tax Revenues and the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and all amounts in the Redevelopment Property Tax Trust Fund, including without limitation any override tax revenues attributable to tax rate overrides levied by taxing agencies within the Project Area that were pledged to the Prior Obligations, no other moneys, funds, accounts or properties of the Successor Agency are pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the 2017 Bonds or Parity Debt except as provided in the following paragraph with respect to the 2017 Bonds and other Bonds.

The Debt Service Fund and any fund or account created under this Indenture, including amounts on deposit therein, are irrevocably pledged under this Indenture to secure the payment of the principal of and interest or redemption premium (if any) on the 2017 Bonds and all Parity Debt without preference or priority for series issue, number, dated date, sale date, date of execution or date of delivery. Such pledge shall constitute a first and exclusive lien on and security interest in the Debt Service Fund and any other fund or account created under this Indenture, and including amounts on deposit therein, and will attach, be perfected and be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Successor Agency, irrespective of whether such parties have notice of this Indenture.

The parties acknowledge that Section 34177.5(g) of the Dissolution Act provides that the 2017 Bonds and Parity Debt are further secured by a pledge of, and lien on moneys deposited in the Redevelopment Property Tax Trust Fund held by the Auditor-Controller of the County related to the Successor Agency, which moneys, subject to the payment by the Auditor-Controller of the County of certain amounts to the County for administrative costs allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code and to taxing entities pursuant to Sections 33607.5 and 33607.7 of the Law, constitute Pledged Tax Revenues as defined herein.

In consideration of the acceptance of the 2017 Bonds and other Bonds by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the 2017 Bonds and other Bonds without preference, priority or distinction as to security or otherwise of any of the 2017 Bonds and other Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

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

The Successor Agency shall deposit all of the Pledged Tax Revenues received with respect to any ROPS Period in accordance with Section 5.12 hereof in the Redevelopment Obligation Retirement Fund. Immediately upon such deposit, the Successor Agency shall transfer into the Special Fund all Pledged Tax Revenues allocable to the payment of the principal of and interest on all Outstanding Bonds for the current Bond Year. All Pledged Tax Revenues remaining in the Redevelopment Obligation Retirement Fund and in excess of the amount required to make the transfers required herein to the Special Fund and to make any other payments due hereunder, and except as may be provided to the contrary in this Indenture or in any Supplemental Indenture or Parity Debt Instrument, shall be released from the pledge and lien hereunder when applied by the Successor Agency in accordance with the Law, including to the payment of other obligations on a Recognized Obligation Payment Schedule payable after payment of the Bonds as required by Section 34183(a)(2) of the Dissolution Act.

Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Bonds and the payment in full of all other amounts payable hereunder and under any Supplemental Indentures or under a Parity Debt Instrument, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Special Fund, except as may be provided in this Indenture and in any Supplemental Indenture or in a Parity Debt Instrument.

**4.03 Deposit of Amounts by Trustee.** There is hereby established a trust fund to be known as the “Debt Service Fund,” which shall be held by the Trustee hereunder in trust, and which shall initially consist of a 2017A Subaccount and a 2017B Subaccount. Additional subaccounts may be created within the Debt Service Fund for any other series of Bonds issued hereunder. Moneys in the Special Fund shall be transferred by the Successor Agency to the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are hereby established within each of the 2017A Subaccount and 2017B Subaccount of the Debt Service Fund, and in the following order of priority (provided further that, if on the fifth (5th) Business Day prior to the date the Successor Agency is required to transfer amounts on deposit in the Special Fund to the Trustee there are not amounts on deposit therein sufficient to make the following deposits, taking into account amounts required to be transferred with respect to Bonds other than the 2017 Bonds, the Successor Agency shall immediately notify the Trustee of the amount of any such insufficiency):

(a) Interest Account. On or before the fifth (5th) Business Day preceding each Interest Payment Date, commencing with the Interest Payment Date of February 1, 2018, the Successor Agency shall withdraw from the Special Fund and transfer to the Trustee, for deposit in the Interest Account an amount which when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds redeemed prior to maturity pursuant to this Indenture).

(b) Principal Account. On or before the fifth (5th) Business Day preceding each August 1 in each year beginning August 1, 2018, the Successor Agency shall withdraw from the Special Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then contained in the Principal Account, will be equal to the principal

becoming due and payable on the Outstanding Serial Bonds and Outstanding Term Bonds, including pursuant to mandatory sinking account redemption, on the next August 1. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next August 1 on all of the Outstanding Serial Bonds and Term Bonds. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Serial Bonds and the Term Bonds, including by mandatory sinking account redemption, as the same shall become due and payable.

(c) Redemption Account. All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on Bonds to be redeemed pursuant to Section 2.03(a) or any optional redemption provision of a Supplemental Indenture on the date set for such redemption. Interest due on such Bonds to be redeemed on the date set for redemption shall, if applicable, be paid from funds available therefor in the Interest Account. Notwithstanding the foregoing, at any time prior to giving notice of redemption of any such Bonds, the Trustee may, at the direction of the Successor Agency, apply amounts deposited or otherwise to be deposited in the Redemption Account to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest on such Bonds, which is payable from the Interest Account) as shall be directed by the Successor Agency.

## ARTICLE V

### OTHER COVENANTS OF THE SUCCESSOR AGENCY

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

**5.02 Limitation on Additional Indebtedness; Against Encumbrances.** The Successor Agency hereby covenants that, so long as the Bonds are Outstanding, the Successor Agency shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Pledged Tax Revenues (i) on a basis senior to the Bonds or (ii) on a parity with the Bonds except for Parity Debt issued to refund any of the Bonds or other Parity Debt, and then only if the requirements of Section 3.08 are met. The Successor Agency will not otherwise encumber, pledge or place any charge or lien upon any of the Pledged Tax Revenues or other amounts pledged to the Bonds superior or equal to the pledge and lien herein created for the benefit of the Bonds.

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

payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

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

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

The Successor Agency will provide to the Owner, within two hundred and seventy (270) days after the close of each Fiscal Year so long as the Bonds are Outstanding, complete audited financial statements with respect to such Fiscal Year showing the Pledged Tax Revenues, all disbursements of Pledged Tax Revenues and the financial condition of the Redevelopment Project, including the balances in all funds and accounts relating to the Redevelopment Project, as of the end of such Fiscal Year.

The Successor Agency shall also provide to each Owner the following information not later than 270 days following the close of each Fiscal Year:

- (a) The assessed valuation (secured and unsecured) of the taxable property in the Project Area, the Incremental Assessed Valuation, Gross Tax Increment and Pledged Tax Revenues for the most recently completed Fiscal Year;
- (b) Top ten taxpayers in the Project Area ranked by assessed valuation as shown on the records of the County Assessor for such period;
- (c) The coverage ratio provided by Pledged Tax Revenues with respect to debt service on the Bonds for the most recently completed Fiscal Year;
- (d) The breakdown of land uses in the Project Area by the number of parcels and their taxable assessed value;
- (e) A copy of the Successor Agency's Recognized Obligation Payment Schedule for the most recently completed Fiscal Year; and
- (f) Such additional information with respect to the Project Area, the Successor Agency or Pledged Tax Revenues that the Owner may from time to time reasonably request.

Upon written notice to each Owner, any information to be provided pursuant to this Section may be provided directly to the Owners or may be disseminated through the dissemination services

provided through the Electronic Municipal Market Access website provided by the Municipal Securities Regulatory Board.

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

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

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

**5.09 Disposition of Property.** The Successor Agency will not participate in the disposition of any land or real property in the Project Area to anyone which will result in such property becoming exempt from taxation because of public ownership or use or otherwise (except property dedicated for public right-of-way and except property planned for public ownership or use by the Redevelopment Plan in effect on the date of issuance of the 2017 Bonds) so that such disposition shall, when taken together with other such dispositions, aggregate more than ten percent (10%) of the land area in the Project Area unless such disposition is permitted as hereinafter provided in this Section 5.09. If the Successor Agency proposes to participate in such a disposition, it shall thereupon appoint an Independent Redevelopment Consultant to report on the effect of said proposed disposition. If the Report of the Independent Redevelopment Consultant concludes that the security of the Bonds, or the rights of the Successor Agency, the Bondowners and the Trustee hereunder will not be materially impaired by said proposed disposition, the Successor Agency may thereafter make such disposition. If said Report concludes that such security will be materially impaired by said proposed disposition, the Successor Agency shall disapprove said proposed disposition.

**5.10 Maintenance of Pledged Tax Revenues.** The Successor Agency shall comply with all requirements of the Law and the Dissolution Act to ensure the allocation and payment to it of the Pledged Tax Revenues as provided in the Dissolution Act. The Successor Agency shall not enter into or amend any agreement if such agreement or amendment would have the effect of reducing the amount of Pledged Tax Revenues available to the Successor Agency for the payment of debt service on the Bonds, without the prior written consent of the Owner.

**5.11 Tax Covenants.** The Successor Agency shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest on the Bonds issued on a tax-exempt basis, including but not limited to the 2017A Bonds and AMT 2017B Bonds, to become includable in gross income for federal income tax purposes. To that end, the Successor Agency hereby makes the following specific covenants:

(a) The Successor Agency hereby covenants that it shall not make or permit any use of the proceeds of the Bonds issued on a tax-exempt basis, including but not limited to the 2017A Bonds and AMT 2017B Bonds, that may cause such Bonds or the tax-exempt Prior Obligations to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(b) The Successor Agency covenants that the proceeds of the Bonds issued on a tax-exempt basis, including but not limited to the 2017A Bonds and AMT 2017B Bonds, will not be used as to cause the proceeds on such Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(c) The Successor Agency covenants not to take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds issued on a tax-exempt basis, including but not limited to the 2017A Bonds and AMT 2017B Bonds, to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

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

Further, it will take all actions required under the Dissolution Act to include all scheduled debt service on the Bonds in Recognized Obligation Payment Schedules for each ROPS Period so as to enable the Auditor-Controller of the County to distribute from the Redevelopment Property Tax Trust Fund to the Successor Agency’s Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective ROPS Period.

In order to accomplish the foregoing, on or before each February 1 (or at such other time as may be required by the Dissolution Act), for so long as any Bonds are outstanding, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the Auditor-Controller of the County that shall provide for the application of the first Pledged Tax Revenues allocated to the Successor Agency in each Bond Year to the payment of all Annual Debt Service due on all Outstanding Bonds coming due during the applicable Bond Year.

In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2017 Bonds that relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the 2017 Bonds and any Parity Debt.

If the Successor Agency should fail, for any reason, to submit a Recognized Obligation Payment Schedule to the DOF, after ten (10) days following the applicable deadline set forth in the Law, the Original Purchaser shall have the right, by mandamus or other action or proceeding or suit at law or in equity, to compel the Successor Agency or any such board member, officer or employee thereof to submit such Recognized Obligation Payment Schedule as provided for by the Law and

herein and to otherwise perform and carry out its or his duties under the Law and the agreements and covenants contained herein required to be performed by it or him.

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

**5.14 Last and Final Recognized Obligation Payment Schedule.** The Successor Agency shall not file a Request for Last and Final ROPS Approval or any amendment to a Last and Final ROPS with the Department of Finance without the prior written consent of the Owners of the 2017 Bonds and all Parity Debt.

**5.15 Notices and Certain Deliverables to Original Purchaser.** For so long as any 2017 Bonds are Outstanding, the Successor Agency shall provide notice to the Original Purchaser, in writing, within 10 days, of:

(i) any event which constitutes or could reasonably be expected to have a Material Adverse Effect, specifically including, but not limited to, (A) notice of any payment default on any material obligation of the Successor Agency, (B) notice of any material litigation filed by or against the Successor Agency, and (C) notice of any material governmental proceeding involving the Successor Agency that could adversely impact the Successor Agency's payment of debt service with respect to the 2017 Bonds or any Parity Debt; and

(ii) any dissemination, distribution or provision thereof to any person, notice of any material event notice or other notice, report or statement disseminated, distributed or provided in satisfaction of or as may be required by the provisions of Rule 15c2-12 promulgated pursuant to the Securities Exchange Act of 1934, as amended (17 C.F.R. Sec. 240 15c2-12), or any successor or similar legal requirement, including any notice, report or statement or any other filings made by the Successor Agency with the Municipal Securities Rulemaking Board's Electronic Market Access System.

## ARTICLE VI

### THE TRUSTEE

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

(b) The Successor Agency may remove the Trustee at any time, upon thirty days' prior written notice, unless an Event of Default shall have occurred and then be continuing, and

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

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

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

(e) If an Event of Default hereunder occurs with respect to any Bonds of which the Trustee has been given or is deemed to have notice, as provided in Section 6.03(d) hereof, then the Trustee shall give written notice thereof, by first-class mail to the Owner of each such Bond, unless such Event of Default shall have been cured before the giving of such notice; provided,

however, that unless such Event of Default consists of the failure by the Successor Agency to make any payment when due, the Trustee may elect not to give such notice if and so long as the Trustee in good faith determines that it is in the best interests of the Bondowners not to give such notice.

(f) The Successor Agency agrees that, so long as any Bonds are Outstanding, the Trustee shall be: (i) a financial institution having a corporate trust office in the State, having (or in the case of a corporation, national banking association or trust company included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority; or (ii) a state-chartered commercial bank that is a member of the Federal Reserve System having at least \$1,000,000,000 of assets. If such financial institution publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such financial institution shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (f), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

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

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

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

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

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

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

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

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

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

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

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

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

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

**6.04 Right to Rely on Documents and Opinions.** The Trustee shall have no liability in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, facsimile transmission, electronic mail, or other paper or document reasonably believed by it to be genuine and to have been signed or prescribed by the proper party or parties, and shall not be required to make any investigation into the facts or matters contained thereon. The Trustee may

consult with counsel, including, without limitation, counsel of or to the Successor Agency, with regard to legal questions, and, in the absence of negligence or intentional misconduct by the Trustee, the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

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

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

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

**6.06 Compensation and Indemnification.** The Successor Agency shall pay to the Trustee from time to time reasonable compensation for all services rendered under this Indenture in accordance with the letter proposal from the Trustee approved by the Successor Agency and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel), agents and employees, incurred in and about the performance of its powers and duties under this Indenture. The Trustee shall have a lien on the Pledged Tax Revenues and all funds and accounts held by the Trustee hereunder to secure the payment to the Trustee of all fees, costs and expenses, including reasonable compensation to its experts, attorneys and counsel (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel). When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

The Successor Agency further covenants and agrees to indemnify, defend and save the Trustee and its officers, directors, agents and employees, harmless against any loss, expense, including legal fees and expenses, suits, claims, judgments, damages and liabilities which it may incur to the extent arising out of or in connection with the exercise and performance of its powers and duties hereunder or any document executed in connection herewith, including the costs and expenses of defending against any claim of liability, but excluding any and all losses, expenses and liabilities which are due to the negligence or willful misconduct of the Trustee, its officers, directors,

agents or employees. The obligations of the Successor Agency and the rights of the Trustee under this Section 6.06 shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

**6.07 Deposit and Investment of Moneys in Funds.** Moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Redemption Account and the Costs of Issuance Fund shall be invested by the Trustee in Permitted Investments as directed by the Successor Agency in the Written Request of the Successor Agency filed with the Trustee at least two (2) Business Days in advance of the making of such investments. In the absence of any such Written Request of the Successor Agency, the Trustee shall hold any such moneys uninvested. The Trustee shall be entitled to rely conclusively upon the written instructions of the Successor Agency directing investments in Permitted Investments as to the fact that each such investment is permitted by the laws of the State, and shall not be required to make further investigation with respect thereto. With respect to any restrictions set forth in the above list which embody legal conclusions (e.g., the existence, validity and perfection of security interests in collateral), the Trustee shall be entitled to rely conclusively on an opinion of counsel or upon a representation of the provider of such Permitted Investment obtained at the Successor Agency's expense. Moneys in the Special Fund may be invested by the Successor Agency in any obligations in which the Successor Agency is legally authorized to invest its funds. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder shall be deposited in the Interest Account. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made at the direction of the Successor Agency or otherwise made in accordance with this Section. For investment purposes only, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately.

The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, at no additional cost, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Successor Agency monthly cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

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

The Successor Agency covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow its normal practice in determining the value of Permitted Investments, which may include utilizing generally recognized or computerized securities pricing services (including brokers and dealers in securities) that may be available to it including those available through its regular accounting system.

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

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

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

## ARTICLE VII

### MODIFICATION OR AMENDMENT OF THIS INDENTURE

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

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

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

(c) to provide for the issuance of Parity Debt in accordance with Section 3.08; or

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

(e) to comply with amendments or supplements to the Dissolution Act.

Except as set forth in the preceding paragraph, this Indenture and the rights and obligations of the Successor Agency, the Original Purchaser, and of the Owners may be modified or amended at

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

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

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

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

**7.05 Opinion of Counsel.** Prior to executing any Supplemental Indenture, the Trustee shall be furnished an opinion of counsel, upon which it may conclusively rely to the effect that all conditions precedent to the execution of such Supplemental Indenture under this Indenture have been satisfied and such Supplemental Indenture is authorized and permitted under this Indenture and does not adversely affect the exclusion of interest on the Bonds issued on a tax-exempt basis, including but not limited to the 2017 Bonds, from gross income for federal income tax purposes or adversely affect the exemption of interest on the Bonds from personal income taxation by the State.

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

## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES OF OWNERS

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

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

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

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

For purposes of this Section 8.01, the Successor Agency's failure to comply with the covenants set forth in Section 5.11 (Tax Covenants) hereof shall not constitute an Event of Default hereunder.

If an Event of Default has occurred under this Section and is continuing, the Trustee may, and, if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding the Trustee shall (x) charge interest at the Default Rate, (y) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding, and (z) subject to the provisions of Section 6.03(i) and Section 8.06, exercise any other remedies available to the Trustee and the Bondowners in law or at equity.

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

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

**8.02 Application of Funds Upon Event of Default or Acceleration.** All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture (including the Trustee's share of any Pledged Tax Revenues) and all sums in the funds and accounts established and held by the Trustee hereunder upon the date of the declaration of acceleration as provided in Section 8.01 or after the declaration of an Event of Default hereunder, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee in the following order:

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

Second, to the payment of the whole amount then owing and unpaid upon the 2017 Bonds and Parity Debt for principal and interest, as applicable, with interest on the overdue principal, and installments of interest at the Default Rate (to the extent that such interest on overdue installments of principal and interest shall have been collected), and in case such moneys shall be insufficient to pay

in full the whole amount so owing and unpaid upon the 2017 Bonds and Parity Debt, then to the payment of such principal and interest without preference or priority, ratably to the aggregate of such principal and interest.

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

Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Bondowner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Bondowner in any such proceeding without the approval of the Bondowners so affected.

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

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

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

**8.05 Non-Waiver.** Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, shall affect or impair the obligation of the Successor Agency, which is

absolute and unconditional, to pay from the Pledged Tax Revenues and other amounts pledged hereunder, the principal of and interest and redemption premium (if any) on the Bonds to the respective Owners on the respective Interest Payment Dates, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owners or the Trustee to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

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

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

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

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

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

## ARTICLE IX

### MISCELLANEOUS

**9.01 Special Obligations.** The Bonds are special obligations of the Successor Agency secured by a pledge and lien as described in Section 4.01 hereof. The Bonds are not debts, liabilities or obligations of the City of National City, the State of California, or any of its political subdivisions, and neither said City, said State, nor any of its political subdivisions is liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those pledged by the Successor Agency. The Bonds do not constitute an indebtedness in contravention of any constitutional or statutory debt limitation or restriction.

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

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

**9.04 Discharge of Indenture.** If the Successor Agency shall pay and discharge the entire indebtedness on all Bonds or any portion thereof in any one or more of the following ways:

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

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

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

and, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given pursuant to Section 2.03(c) or provision satisfactory to the Trustee shall have been made for the giving of such notice, then, at the election of the Successor Agency, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the

Pledged Tax Revenues and other amounts, funds and accounts described in Section 4.01 hereof and all other obligations of the Trustee and the Successor Agency under this Indenture shall cease and terminate with respect to all Outstanding Bonds or, if applicable, with respect to that portion of the Bonds which has been paid and discharged, except only (A) the covenants of the Successor Agency hereunder with respect to the Code, (B) the obligation of the Trustee to transfer and exchange Bonds hereunder, (C) the obligations of the Successor Agency under Section 6.06 hereof, and (D) the obligation of the Successor Agency to pay or cause to be paid to the Owners, from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee all fees, expenses and costs of the Trustee. In the event the Successor Agency shall, pursuant to the foregoing provision, pay and discharge any portion or all of the Bonds then Outstanding, the Trustee shall be authorized to take such actions and execute and deliver to the Successor Agency all such instruments as may be necessary or desirable to evidence such discharge, including, without limitation, selection by lot of Bonds of any maturity of the Bonds that the Successor Agency has determined to pay and discharge in part.

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

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

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

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

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

**9.06 Disqualified Bonds.** In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Successor Agency or the City (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination; except that in determining whether the Trustee shall be protected in relying upon any such demand, request, direction, consent or waiver of an Owner, only Bonds which the Trustee actually knows to be owned

or held by or for the account of the Successor Agency or the City, shall be disregarded unless all Bonds are so owned or held, in which case such Bonds shall be considered outstanding for the purpose of such determination.

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

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

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

- |                               |   |
|-------------------------------|---|
| If to the Successor Agency:   | Successor Agency to the Community Development Commission as the National City Redevelopment Agency<br>1243 National City Blvd.<br>National City, California 91950<br>Attention: Executive Director          |
| If to the Trustee:            | The Bank of New York Mellon Trust Company, N.A.<br>400 South Hope Street, Suite 500<br>Los Angeles, California 90071<br>Attention: Corporate Trust  |
| If to the Original Purchaser: | Compass Bank<br>999 18 <sup>th</sup> Street, Suite 2800<br>Denver, Colorado 80202<br>Attention: Municipal Finance Group<br>Email: matt.chorske@bbva.com   |
| with a copy to:               | LD&FC Public Finance<br>8333 Douglas Avenue, 2 <sup>nd</sup> floor<br>Dallas, Texas 75225<br>Attention: Amanda Draughon and Bill Trussell<br>Phone: (214) 360-2781<br>Email: LDFCpublicfinance.us @bbva.com |

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

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

**9.11 Unclaimed Moneys.** Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the Successor Agency (without liability for interest) as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondowners shall look only to the Successor Agency for the payment of the principal of and interest and redemption premium (if any) on of such Bonds.

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

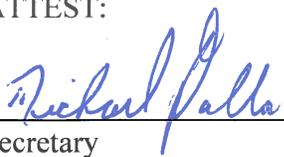
**9.13 Governing Law.** This Indenture shall be construed and governed in accordance with the laws of the State.

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

SUCCESSOR AGENCY TO THE COMMUNITY  
DEVELOPMENT COMMISSION AS THE NATIONAL  
CITY REDEVELOPMENT AGENCY

By:  \_\_\_\_\_  
Executive Director

ATTEST:

 \_\_\_\_\_  
Secretary

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

By: \_\_\_\_\_  
Authorized Officer

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

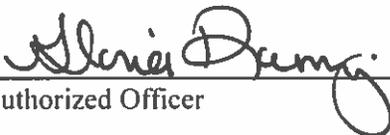
SUCCESSOR AGENCY TO THE COMMUNITY  
DEVELOPMENT COMMISSION AS THE NATIONAL  
CITY REDEVELOPMENT AGENCY

By: \_\_\_\_\_  
Executive Director

ATTEST:

\_\_\_\_\_  
Secretary

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

By:  \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**(FORM OF 2017A BOND)**

**THE REGISTERED OWNER OF THIS BOND ACKNOWLEDGES AND AGREES THAT THIS BOND MAY ONLY BE TRANSFERRED UPON SATISFACTION OF THE REQUIREMENTS IN THE INDENTURE OF TRUST, INCLUDING THE DELIVERY TO THE TRUSTEE OF A PURCHASER LETTER IN THE FORM REQUIRED BY THE INDENTURE OF TRUST. ANY TRANSFER OF THIS BOND IN VIOLATION OF THE TRANSFER RESTRICTIONS CONTAINED IN THE INDENTURE OF TRUST SHALL BE VOID AND OF NO EFFECT.**

**UNITED STATES OF AMERICA  
STATE OF CALIFORNIA**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE  
NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BOND, SERIES 2017A**

INTEREST RATE:

2.49%

MATURITY DATE:

August 1, 2032

DATED DATE:

September 28, 2017

**REGISTERED OWNER: COMPASS MORTGAGE CORPORATION**

**PRINCIPAL SUM: FORTY-FIVE MILLION EIGHT HUNDRED SEVENTY-FOUR  
THOUSAND DOLLARS**

The SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY, a public entity duly existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for, if any), the Principal Sum stated above and to pay interest thereon from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Series 2017A Bond, unless (i) this Series 2017A Bond is authenticated after the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day (the "Record Date") and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) this Series 2017A Bond is authenticated on or before January 15, 2018, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Series 2017A Bond, interest is in default on this Series 2017A Bond, this Series 2017A Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Series 2017A Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on August 1 and February 1 in each year, commencing February 1, 2018 (each an "Interest Payment Date"), calculated on the basis of

360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon redemption hereof, if any, are payable in lawful money of the United States of America upon presentation and surrender of this Series 2017A Bond at the corporate trust office (the “Principal Corporate Trust Office”) of The Bank of New York Mellon Trust Company, N.A. Interest hereon (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed on the Interest Payment Date to the 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 preceding Record Date; provided however, that at the written request of any Registered Owner of at least \$1,000,000 aggregate principal amount of the Series 2017A Bonds (as defined below), which written request is on file with the Trustee on any Record Date, interest hereon shall be paid by wire to such account in the United States as is specified in such written request.

This Series 2017A Bond is one of a duly authorized issue of bonds of the Successor Agency designated as “Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A” (the “ Series 2017A Bonds”), of an aggregate principal amount of \$45,874,000, all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, or redemption, if any, and other provisions) and all issued pursuant to the provisions of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the “Refunding Law”), the Dissolution Act (as such term is defined in the Indenture), and the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code (the “Law”), and pursuant to an Indenture of Trust, dated as of September 1, 2017, entered into by and between the Successor Agency and the Trustee (the “Indenture”), providing for the issuance of the Series 2017A Bonds.

The Series 2017A Bonds are being issued in the form of registered Series 2017A Bonds without coupons. Simultaneously with the issuance of the Series 2017A Bonds, the Successor Agency is also issuing bonds designated as “Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017B” (the “ Series 2017B Bonds”) that are payable from Pledged Tax Revenues on a parity with the Series 2017A Bonds. On November 3, 2017, the Successor Agency expects to issue its bonds designated as “Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017B (Private Activity-AMT)” (the “AMT Series 2017B Bonds”) that are payable from Pledged Tax Revenues on a parity with the Series 2017A Bonds. Additional Parity Debt may be issued on a parity with the Series 2017A Bonds, the Series 2017B Bonds and AMT Series 2017B Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Dissolution Act and the Law for a description of the terms on which the Series 2017A Bonds, the Series 2017B Bonds and the AMT Series 2017B Bonds are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the Registered Owners of the Series 2017A 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 Series 2017A Bond, by acceptance hereof, assents and agrees. Capitalized terms not otherwise defined herein shall have the meanings given them in the Indenture.

Notwithstanding anything herein or in the Indenture to the contrary, so long as the Series 2017A Bonds are owned by Compass Mortgage Corporation, an Alabama corporation (the “Original

Purchaser”), (i) the Trustee shall pay principal of and interest and redemption premium, if any, on the bonds when due by wire transfer in immediately available funds to the Original Purchaser in accordance with such wire transfer instructions as shall be filed by the Original Purchaser with the Trustee from time to time, (ii) payments of principal on the Series 2017A Bonds shall be made without the requirement for presentation and surrender by the Original Purchaser, provided that principal which is payable at maturity shall be made only upon presentation and surrender at the Principal Corporate Trust Office of the Trustee, and (iii) the Trustee shall not be required to give notice to the Original Purchaser of the sinking fund payments described in the Indenture.

The Series 2017A Bonds have been issued by the Successor Agency for the purpose of providing funds to refinance certain bonds with respect to the Project Area (as such term is defined in the Indenture) and to pay certain expenses of the Successor Agency in issuing the Series 2017A Bonds.

The Series 2017A Bonds are special obligations of the Successor Agency and this Series 2017A Bond and the interest hereon and on all other Series 2017A Bonds and the interest thereon (to the extent set forth in the Indenture), are secured by a statutory pledge of, and lien on, Pledged Tax Revenues deposited or available for deposit into the Redevelopment Property Tax Trust Fund held by the Auditor-Controller of the County of San Diego (the “County”), subject to the payment of the County’s administrative charges and certain amounts to taxing entities pursuant to the Dissolution Act, and a pledge of, security interest in and lien on the Pledged Tax Revenues, as more fully described in the Indenture, on deposit in the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and the Debt Service Fund and any fund or account created under the Indenture, and are payable from Pledged Tax Revenues remaining after payment of certain amounts to certain taxing entities as provided in the Dissolution Act and the Indenture.

There has been created, and will be maintained by, the Successor Agency the Special Fund (as defined in the Indenture) into which Pledged Tax Revenues deposited by the Auditor-Controller of the County in the Redevelopment Obligation Retirement Fund shall be transferred and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the Series 2017A Bonds and any additional Bonds (as defined in the Indenture).

The Series 2017A Bonds are subject to redemption as provided in the Indenture.

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

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

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

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

From and after a Determination of Taxability (as defined in the Indenture) the Series 2017A Bonds shall bear interest at the Taxable Rate specified in the Indenture. Further, from and during the continuance of an Event of Default under the Indenture, the Series 2017A Bonds shall bear interest at the Default Rate specified in the Indenture.

The Series 2017A Bonds are issuable as fully registered Bonds without coupons in denominations of \$1,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Series 2017A Bonds may be exchanged for a like aggregate principal amount of Series 2017A Bonds of other authorized denominations and of the same series, tenor and maturity.

This Series 2017A Bond is transferable upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender to the Trustee at the Principal Corporate Trust Office for cancellation, but only in the manner and subject to the limitations provided in the Indenture. **Notwithstanding the foregoing, a Bondowner may only transfer this Bond so long as all Outstanding Bonds are transferred together to a new Bondowner who has delivered a Purchaser Letter (in the form attached to the Indenture as Exhibit D) to the Successor Agency.** Upon registration of such transfer a new fully registered Series 2017A Bond, of any authorized denomination or denominations, for the same aggregate principal amount and of the same series, tenor and maturity will be issued to the transferee in exchange herefor. The Trustee may refuse to transfer or exchange (a) any Series 2017A Bond during the fifteen (15) days prior to the date established for the selection of Series 2017A Bonds for redemption, if any, or (b) any Series 2017A Bond selected for redemption, if any.

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 Series 2017A Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the Registered Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall a Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In no event shall any Supplemental Indenture modify any of the rights or obligations of any Registered Owner without its prior written consent.

This Series 2017A Bond is not a debt, liability or obligation of the City of National City, the State of California, or any of its political subdivisions, and neither said City, said State, nor any of its political subdivisions is liable hereon, nor in any event shall this Series 2017A Bond be payable out of any funds or properties other than those pledged by the Successor Agency. The Series 2017A Bonds do not constitute an indebtedness in contravention 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 Series 2017A 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 Series 2017A 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 Series 2017A Bonds permitted to be issued under the Indenture.

This Series 2017A 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 Community Development Commission as the National City Redevelopment Agency has caused this Series 2017A Bond to be executed in its name and on its behalf with the manual signature of its Chairman and attested by the manual signature of its Secretary, all as of the Dated Date set forth above.

**SUCCESSOR AGENCY TO THE COMMUNITY  
DEVELOPMENT COMMISSION AS THE  
NATIONAL CITY REDEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This is one of the Series 2017A Bonds described in the within-mentioned Indenture.

Authentication Date: September 28, 2017

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

By: \_\_\_\_\_  
Authorized Signatory

**(FORM OF ASSIGNMENT)**

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

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

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

Dated: \_\_\_\_\_

Signatures Guaranteed:

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

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

**EXHIBIT B**

**(FORM OF TAXABLE 2017B BOND)**

**THE REGISTERED OWNER OF THIS BOND ACKNOWLEDGES AND AGREES THAT THIS BOND MAY ONLY BE TRANSFERRED UPON SATISFACTION OF THE REQUIREMENTS IN THE INDENTURE OF TRUST, INCLUDING THE DELIVERY TO THE TRUSTEE OF A PURCHASER LETTER IN THE FORM REQUIRED BY THE INDENTURE OF TRUST. ANY TRANSFER OF THIS BOND IN VIOLATION OF THE TRANSFER RESTRICTIONS CONTAINED IN THE INDENTURE OF TRUST SHALL BE VOID AND OF NO EFFECT.**

**UNITED STATES OF AMERICA  
STATE OF CALIFORNIA**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE  
NATIONAL CITY REDEVELOPMENT AGENCY  
TAXABLE TAX ALLOCATION REFUNDING BOND, SERIES 2017B**

INTEREST RATE:

3.630%

MATURITY DATE:

November 3, 2017

DATED DATE:

September 28, 2017

**REGISTERED OWNER: COMPASS MORTGAGE CORPORATION**

**PRINCIPAL SUM: TWO MILLION SIX HUNDRED SIXTY-NINE THOUSAND DOLLARS**

The SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY, a public entity duly existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for, if any), the Principal Sum stated above and to pay interest thereon from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Series 2017B Bond, unless (i) this Series 2017B Bond is authenticated after the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day (the "Record Date") and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) this Series 2017B Bond is authenticated on or before January 15, 2018, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Series 2017B Bond, interest is in default on this Series 2017B Bond, this Series 2017B Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Series 2017B Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on August 1 and February 1 in each year, commencing February 1, 2018 (each an "Interest Payment Date"), calculated on the basis of

360-day year comprised of twelve 30-day months; provided, however, that the Registered Owner agrees that payment of the principal on the maturity date of the Series 2017B Bonds shall be satisfied by the delivery by the Successor Agency of its Tax Allocation Refunding Bonds, Series 2017B (Private Activity-AMT) (the “AMT Series 2017B Bonds”) to the Original Purchaser in the principal amount of \$2,669,000 with an interest rate of 2.360%, pursuant to Section 3.04 of the Indenture, and interest due and payable on and as of the maturity date of this Series 2017B Bond shall be payable on the first Interest Payment Date, February 1, 2018.

This Series 2017B Bond is one of a duly authorized issue of bonds of the Successor Agency designated as “Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017B (the “Series 2017B Bonds”), of an aggregate principal amount of \$2,669,000, all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, or redemption, if any, and other provisions) and all issued pursuant to the provisions of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the “Refunding Law”), the Dissolution Act (as such term is defined in the Indenture), and the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code (the “Law”), and pursuant to an Indenture of Trust, dated as of September 1, 2017, entered into by and between the Successor Agency and the Trustee (the “Indenture”), providing for the issuance of the Series 2017B Bonds.

The Series 2017B Bonds are being issued in the form of registered Series 2017B Bonds without coupons. Simultaneously with the issuance of the Series 2017B Bonds, the Successor Agency is also issuing bonds designated as “Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A” (the “Series 2017A Bonds”) that are payable from Pledged Tax Revenues on a parity with the Series 2017B Bonds. On November 3, 2017, the Successor Agency expects to issue the AMT Series 2017B Bonds that are payable from Pledged Tax Revenues on a parity with the Series 2017A Bonds. Additional Parity Debt may be issued on a parity with the Series 2017B Bonds, the Series 2017A Bonds and the AMT Series 2017B Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Dissolution Act and the Law for a description of the terms on which the Series 2017B Bonds, the Series 2017A Bonds and the AMT Series 2017B Bonds, are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the Registered Owners of the Series 2017B 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 Series 2017B Bond, by acceptance hereof, assents and agrees. Capitalized terms not otherwise defined herein shall have the meanings given them in the Indenture.

The Series 2017B Bonds have been issued by the Successor Agency for the purpose of providing funds to refinance certain bonds with respect to the Project Area (as such term is defined in the Indenture) and to pay certain expenses of the Successor Agency in issuing the Series 2017B Bonds.

The Series 2017B Bonds are special obligations of the Successor Agency and this Series 2017B Bond and the interest hereon and on all other Series 2017B Bonds and the interest thereon (to the extent set forth in the Indenture), are secured by a statutory pledge of, and lien on, Pledged Tax Revenues deposited or available for deposit into the Redevelopment Property Tax Trust Fund held by

the Auditor-Controller of the County of San Diego (the “County”), subject to the payment of the County’s administrative charges and certain amounts to taxing entities pursuant to the Dissolution Act, and a pledge of, security interest in and lien on the Pledged Tax Revenues, as more fully described in the Indenture, on deposit in the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and the Debt Service Fund and any fund or account created under the Indenture, and are payable from Pledged Tax Revenues remaining after payment of certain amounts to certain taxing entities as provided in the Dissolution Act and the Indenture.

There has been created, and will be maintained by, the Successor Agency the Special Fund (as defined in the Indenture) into which Pledged Tax Revenues deposited by the Auditor-Controller of the County in the Redevelopment Obligation Retirement Fund shall be transferred and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the Series 2017B Bonds and any additional Bonds (as defined in the Indenture).

The Series 2017B Bonds are not subject to 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.

From and during the continuance of an Event of Default under the Indenture, the Series 2017B Bonds shall bear interest at the Default Rate specified in the Indenture.

The Series 2017B Bonds are issuable as fully registered Bonds without coupons in denominations of \$1,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Series 2017B Bonds may be exchanged for a like aggregate principal amount of 2017B Bonds of other authorized denominations and of the same series, tenor and maturity.

This Series 2017B Bond is transferable upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender to the Trustee at the Principal Corporate Trust Office for cancellation, but only in the manner and subject to the limitations provided in the Indenture. **Notwithstanding the foregoing, a Bondowner may only transfer this Bond so long as all Outstanding Bonds are transferred together to a new Bondowner who has delivered a Purchaser Letter (in the form attached to the Indenture as Exhibit D) to the Successor Agency.** Upon registration of such transfer a new fully registered Series 2017B Bond, of any authorized denomination or denominations, for the same aggregate principal amount and of the same series, tenor and maturity will be issued to the transferee in exchange herefor. The Trustee may refuse to transfer or exchange (a) any Series 2017B Bond during the fifteen (15) days prior to the date established for the selection of Series 2017B Bonds for redemption, if any, or (b) any Series 2017B Bond selected for redemption, if any.

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 Series 2017B Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the Registered Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall a Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In no event shall any Supplemental Indenture modify any of the rights or obligations of any Issuer without its prior written consent.

This Series 2017B Bond is not a debt, liability or obligation of the City of National City, the State of California, or any of its political subdivisions, and neither said City, said State, nor any of its political subdivisions is liable hereon, nor in any event shall this Series 2017B Bond be payable out of any funds or properties other than those pledged by the Successor Agency. The Series 2017B Bonds do not constitute an indebtedness in contravention 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 Series 2017B 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 Series 2017B 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 Series 2017B Bonds permitted to be issued under the Indenture.

This Series 2017B 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 Community Development Commission as the National City Redevelopment Agency has caused this Series 2017B Bond to be executed in its name and on its behalf with the manual signature of its Chairman and attested by the manual signature of its Secretary, all as of the Dated Date set forth above.

**SUCCESSOR AGENCY TO THE COMMUNITY  
DEVELOPMENT COMMISSION AS THE  
NATIONAL CITY REDEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This is one of the Series 2017B Bonds described in the within-mentioned Indenture.

Authentication Date: September 28, 2017

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

By: \_\_\_\_\_  
Authorized Signatory

**(FORM OF ASSIGNMENT)**

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

\_\_\_\_\_  
\_\_\_\_\_

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

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

Dated: \_\_\_\_\_

Signatures Guaranteed:

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

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

**EXHIBIT C**

**(FORM OF AMT 2017B BOND)**

**THE REGISTERED OWNER OF THIS BOND ACKNOWLEDGES AND AGREES THAT THIS BOND MAY ONLY BE TRANSFERRED UPON SATISFACTION OF THE REQUIREMENTS IN THE INDENTURE OF TRUST, INCLUDING THE DELIVERY TO THE TRUSTEE OF A PURCHASER LETTER IN THE FORM REQUIRED BY THE INDENTURE OF TRUST. ANY TRANSFER OF THIS BOND IN VIOLATION OF THE TRANSFER RESTRICTIONS CONTAINED IN THE INDENTURE OF TRUST SHALL BE VOID AND OF NO EFFECT.**

**UNITED STATES OF AMERICA  
STATE OF CALIFORNIA**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE  
NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BOND, SERIES 2017B (PRIVATE ACTIVITY-AMT)**

INTEREST RATE:

2.360%

MATURITY DATE:

August 1, 2029

DATED DATE:

November 3, 2017

**REGISTERED OWNER: COMPASS MORTGAGE CORPORATION**

**PRINCIPAL SUM: TWO MILLION SIX HUNDRED SIXTY-NINE THOUSAND DOLLARS**

The SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY, a public entity duly existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for, if any), the Principal Sum stated above and to pay interest thereon from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Series 2017B Bond, unless (i) this Series 2017B Bond is authenticated after the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day (the "Record Date") and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) this Series 2017B Bond is authenticated on or before January 15, 2018, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Series 2017B Bond, interest is in default on this Series 2017B Bond, this Series 2017B Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Series 2017B Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on August 1 and February 1 in each year, commencing February 1, 2018 (each an "Interest Payment Date"), calculated on the basis of

360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon redemption hereof, if any, are payable in lawful money of the United States of America upon presentation and surrender of this Series 2017B Bond at the corporate trust office (the “Principal Corporate Trust Office”) of The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Interest hereon (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed on the Interest Payment Date to the 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 preceding Record Date; provided however, that at the written request of any Registered Owner of at least \$1,000,000 aggregate principal amount of the Series 2017B Bonds (as defined below), which written request is on file with the Trustee on any Record Date, interest hereon shall be paid by wire to such account in the United States as is specified in such written request.

This Series 2017B Bond is one of a duly authorized issue of bonds of the Successor Agency designated as “Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017B (Private Activity-AMT)” (the “Series 2017B Bonds”), of an aggregate principal amount of \$2,669,000, all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, or redemption, if any, and other provisions) and all issued pursuant to the provisions of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the “Refunding Law”), the Dissolution Act (as such term is defined in the Indenture), and the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code (the “Law”), and pursuant to an Indenture of Trust, dated as of September 1, 2017, entered into by and between the Successor Agency and the Trustee (the “Indenture”), providing for the issuance of the Series 2017B Bonds.

The Series 2017B Bonds are being issued in the form of registered Series 2017B Bonds without coupons. The Successor Agency has previously issued its bonds designated as “Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A” (the “Series 2017A Bonds”) that are payable from Pledged Tax Revenues on a parity with the Series 2017B Bonds. Additional Parity Debt may be issued on a parity with the Series 2017B Bonds, and the Series 2017A Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Dissolution Act and the Law for a description of the terms on which the Series 2017B Bonds, and the Series 2017A Bonds, are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the Registered Owners of the Series 2017B 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 Series 2017B Bond, by acceptance hereof, assents and agrees. Capitalized terms not otherwise defined herein shall have the meanings given them in the Indenture.

Notwithstanding anything herein or in the Indenture to the contrary, so long as the Series 2017B Bonds are owned by Compass Mortgage Corporation, an Alabama corporation (the “Original Purchaser”), (i) the Trustee shall pay principal of and interest and redemption premium, if any, on the bonds when due by wire transfer in immediately available funds to the Original Purchaser in accordance with such wire transfer instructions as shall be filed by the Original Purchaser with the Trustee from time to time, (ii) payments of principal on the Series 2017B Bonds shall be made without the requirement for presentation and surrender by the Original Purchaser, provided that

principal which is payable at maturity shall be made only upon presentation and surrender at the Principal Corporate Trust Office of the Trustee, and (iii) the Trustee shall not be required to give notice to the Original Purchaser of the sinking fund payments described in the Indenture.

The Series 2017B Bonds have been issued by the Successor Agency for the purpose of providing funds to refinance certain bonds with respect to the Project Area (as such term is defined in the Indenture) and to pay certain expenses of the Successor Agency in issuing the Series 2017B Bonds.

The Series 2017B Bonds are special obligations of the Successor Agency and this Series 2017B Bond and the interest hereon and on all other Series 2017B Bonds and the interest thereon (to the extent set forth in the Indenture), are secured by a statutory pledge of, and lien on, Pledged Tax Revenues deposited or available for deposit into the Redevelopment Property Tax Trust Fund held by the Auditor-Controller of the County of San Diego (the "County"), subject to the payment of the County's administrative charges and certain amounts to taxing entities pursuant to the Dissolution Act, and a pledge of, security interest in and lien on the Pledged Tax Revenues, as more fully described in the Indenture, on deposit in the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and the Debt Service Fund and any fund or account created under the Indenture, and are payable from Pledged Tax Revenues remaining after payment of certain amounts to certain taxing entities as provided in the Dissolution Act and the Indenture.

There has been created, and will be maintained by, the Successor Agency the Special Fund (as defined in the Indenture) into which Pledged Tax Revenues deposited by the Auditor-Controller of the County in the Redevelopment Obligation Retirement Fund shall be transferred and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the Series 2017B Bonds and any additional Bonds (as defined in the Indenture).

The Series 2017B Bonds are subject to redemption as provided in the Indenture.

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

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.

From and during the continuance of an Event of Default under the Indenture, the Series 2017B Bonds shall bear interest at the Default Rate specified in the Indenture.

The Series 2017B Bonds are issuable as fully registered Bonds without coupons in denominations of \$1,000 and any integral multiple thereof. Subject to the limitations and conditions

and upon payment of the charges, if any, as provided in the Indenture, Series 2017B Bonds may be exchanged for a like aggregate principal amount of Series 2017B Bonds of other authorized denominations and of the same series, tenor and maturity.

This Series 2017B Bond is transferable upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender to the Trustee at the Principal Corporate Trust Office for cancellation, but only in the manner and subject to the limitations provided in the Indenture. **Notwithstanding the foregoing, a Bondowner may only transfer this Bond so long as all Outstanding Bonds are transferred together to a new Bondowner who has delivered a Purchaser Letter (in the form attached to the Indenture as Exhibit D) to the Successor Agency.** Upon registration of such transfer a new fully registered Series 2017B Bond, of any authorized denomination or denominations, for the same aggregate principal amount and of the same series, tenor and maturity will be issued to the transferee in exchange herefor. The Trustee may refuse to transfer or exchange (a) any Series 2017B Bond during the fifteen (15) days prior to the date established for the selection of Series 2017B Bonds for redemption, if any, or (b) any Series 2017B Bond selected for redemption, if any.

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 Series 2017B Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the Registered Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall a Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In no event shall any Supplemental Indenture modify any of the rights or obligations of any Issuer without its prior written consent.

This Series 2017B Bond is not a debt, liability or obligation of the City of National City, the State of California, or any of its political subdivisions, and neither said City, said State, nor any of its political subdivisions is liable hereon, nor in any event shall this Series 2017B Bond be payable out of any funds or properties other than those pledged by the Successor Agency. The Series 2017B Bonds do not constitute an indebtedness in contravention 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 Series 2017B 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 Series 2017B 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 Series 2017B Bonds permitted to be issued under the Indenture.

This Series 2017B 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 Community Development Commission as the National City Redevelopment Agency has caused this Series 2017B Bond to be executed in its name and on its behalf with the manual signature of its Chairman and attested by the manual signature of its Secretary, all as of the Dated Date set forth above.

**SUCCESSOR AGENCY TO THE COMMUNITY  
DEVELOPMENT COMMISSION AS THE  
NATIONAL CITY REDEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This is one of the Series 2017B Bonds described in the within-mentioned Indenture.

Authentication Date: November 3, 2017

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

By: \_\_\_\_\_  
Authorized Signatory

**(FORM OF ASSIGNMENT)**

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

\_\_\_\_\_  
\_\_\_\_\_

(Name, Address and Tax Identification or Social Security Number of Assignee)  
the within-registered Bond and hereby irrevocably constitute(s) and appoints(s)  
\_\_\_\_\_ attorney,  
to transfer the same on the registration books of the Trustee with full power of substitution in the  
premises.

Dated: \_\_\_\_\_

Signatures Guaranteed:

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

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

**EXHIBIT D**

**\$45,874,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE  
NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A**

**AND**

**\$2,669,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE  
NATIONAL CITY REDEVELOPMENT AGENCY  
TAXABLE TAX ALLOCATION REFUNDING BONDS, SERIES 2017B**

**FORM OF PURCHASER LETTER**

September 28, 2017

Successor Agency to the Community Development Commission as the National City Redevelopment Agency  
National City, California

The Bank of New York Mellon Trust Company, N.A.  
Los Angeles, California

Nossaman LLP  
Irvine, California

Ladies and Gentlemen:

The undersigned (the “Purchaser”) hereby acknowledges receipt of \$48,543,000 in aggregate principal amount of the above-captioned bonds (the “Bonds”), dated September 28, 2017 in fully registered form and bearing interest from the date thereof.

1. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations of a nature similar to the Bonds to be able to evaluate the risks and merits of the investment represented by the purchase of the Bonds.

2. We are acquiring the Bonds for our own account and not with a view to, or for sale in connection with, any distribution of the Bonds or any part thereof. We have not offered to sell, solicited offers to buy, or agreed to sell the Bonds or any part thereof, and we have no present intention of reselling or otherwise disposing of the Bonds.

3. As a sophisticated investor, we have made our own credit inquiry and analysis with respect to the Successor Agency to the Community Development Commission as the National City

Redevelopment Agency (the “Issuer”) and the Bonds, and have made an independent credit decision based upon such inquiry and analysis. The Issuer has furnished to us all the information which we have requested of the Issuer as a result of our having attached significance thereto in making our investment decision with respect to the Bonds, and we have had the opportunity to ask questions of and receive answers from representatives of the Issuer and the Bonds. We are able and willing to bear the economic risk of the purchase and ownership of the Bonds.

4. We understand that the Bonds have not been registered with any federal or state securities agency or commission. The Bonds shall not have CUSIPs.

5. We acknowledge that the Bonds are transferable upon presentation to the bond registrar and are transferable in authorized denominations as provided in the Indenture provided that:

(i) the transferring holder thereof shall first have complied with all applicable state and federal securities laws and regulations;

(ii) the transferring holder thereof is transferring the Bonds only to a transferee who executes and delivers to the Issuer a letter of the transferee substantially in the form of this letter and who qualifies as: a qualified institutional buyer pursuant to Rule 144A of the Securities Act of 1933, as amended (the “1933 Securities Act”);

(iii) the transferring holder thereof will not prepare or furnish, or cause to be prepared or furnished, any disclosure regarding the Issuer’s finances without the prior review and written consent of the Issuer, in the Issuer’s sole discretion.

6. The Purchaser certifies that it is a “qualified institutional buyer” within the meaning of Rule 144A of the Securities Act.

COMPASS MORTGAGE CORPORATION, an  
Alabama corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**\$2,669,000**  
**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE**  
**NATIONAL CITY REDEVELOPMENT AGENCY**  
**TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)**

**FORM OF PURCHASER LETTER**

November 3, 2017

Successor Agency to the Community Development Commission as the National City Redevelopment Agency  
National City, California

The Bank of New York Mellon Trust Company, N.A.  
Los Angeles, California

Nossaman LLP  
Irvine, California

Ladies and Gentlemen:

The undersigned (the “Purchaser”) hereby acknowledges receipt of \$2,669,000 in aggregate principal amount of the above-captioned bonds (the “Bonds”), dated November 3, 2017 in fully registered form and bearing interest from the date thereof.

1. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations of a nature similar to the Bonds to be able to evaluate the risks and merits of the investment represented by the purchase of the Bonds.

2. We are acquiring the Bonds for our own account and not with a view to, or for sale in connection with, any distribution of the Bonds or any part thereof. We have not offered to sell, solicited offers to buy, or agreed to sell the Bonds or any part thereof, and we have no present intention of reselling or otherwise disposing of the Bonds.

3. As a sophisticated investor, we have made our own credit inquiry and analysis with respect to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the “Issuer”) and the Bonds, and have made an independent credit decision based upon such inquiry and analysis. The Issuer has furnished to us all the information which we have requested of the Issuer as a result of our having attached significance thereto in making our investment decision with respect to the Bonds, and we have had the opportunity to ask questions of and receive answers from representatives of the Issuer and the Bonds. We are able and willing to bear the economic risk of the purchase and ownership of the Bonds.

4. We understand that the Bonds have not been registered with any federal or state securities agency or commission. The Bonds shall not have CUSIPs.

5. We acknowledge that the Bonds are transferable upon presentation to the bond registrar and are transferable in authorized denominations as provided in the Indenture provided that:

(i) the transferring holder thereof shall first have complied with all applicable state and federal securities laws and regulations;

(ii) the transferring holder thereof is transferring the Bonds only to a transferee who executes and delivers to the Issuer a letter of the transferee substantially in the form of this letter and who qualifies as: a qualified institutional buyer pursuant to Rule 144A of the Securities Act of 1933, as amended (the "1933 Securities Act");

(iii) the transferring holder thereof will not prepare or furnish, or cause to be prepared or furnished, any disclosure regarding the Issuer's finances without the prior review and written consent of the Issuer, in the Issuer's sole discretion.

6. The Purchaser certifies that it is a "qualified institutional buyer" within the meaning of Rule 144A of the Securities Act.

COMPASS MORTGAGE CORPORATION, an  
Alabama corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_

## SCHEDULE I

### YIELD MAINTENANCE PREMIUM

The “Yield Maintenance Premium” shall be defined as the Annual Yield Differential multiplied by the Percent Being Redeemed, multiplied by the Average Remaining Outstanding Principal Amount, multiplied by the number of days from the date the Original Purchaser received the redemption payment (the “Redemption Date”) through the maturity date of the applicable 2017 Bonds (the “Maturity Date”), divided by 360, where for purposes of this calculation:

“Annual Yield Differential” means the difference (but not less than zero) between: (i) the U.S. Treasury constant maturity yield, as reported in the H.15 Report, for the Closing Date of the 2017 Bonds, for a maturity that is the same as the Maturity Date as of the Closing Date (rounded to the nearest whole number of months) or, if no such maturity is reported, an interpolated yield based on the reported maturity that is next shorter than, and the maturity reported that is next longer than, the Maturity Date as of the Closing Date, and (ii) the U.S. Treasury constant maturity yield, as reported in the H.15 Report, daily updates, for the Redemption Date for a maturity that is the same as the remaining term of the 2017 Bonds at the Redemption Date (rounded to the nearest whole number of months) or, if no such maturity is reported, then the interpolated yield based on the reported maturity that is next shorter than, and the maturity reported that is next longer than, the remaining term of the 2017 Bonds on the Redemption Date. If the H.15 Report is not available for any day, then the H.15 Report for the immediately preceding day on which yields were last reported will be used.

“Average Remaining Outstanding Principal Amount” means the simple average of (i) the outstanding principal balance of the 2017 Bonds as of the Redemption Date (prior to any redemption being applied), and (ii) the scheduled principal amount of the 2017 Bonds as of the Maturity Date (taking into account any prior redemptions, but not the redemption being then made).

“Percent Being Prepaid” means the amount determined by dividing the principal amount of the 2017 Bonds being prepaid by the unpaid principal balance of the 2017 Bonds as of the Redemption Date.

The Yield Maintenance Premium shall only apply to any prepayments made on the 2017 Bonds that are in addition to the mandatory sinking fund redemptions for the 2017 Bonds.

**ESCROW AGREEMENT RELATING TO THE**

**COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF NATIONAL CITY**  
**1999 TAX ALLOCATION HOUSING BONDS (NATIONAL CITY DOWNTOWN**  
**REDEVELOPMENT PROJECT)**

This ESCROW AGREEMENT relating to the refunding of all of the outstanding above-captioned Prior Bonds (as defined below), dated as of September 28, 2017 (the "Agreement"), by and between the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the "Successor Agency") and The Bank of New York Mellon Trust Company, N.A., acting in its capacity as escrow bank (the "Escrow Bank"), is entered into in accordance with an Indenture of Trust by and between the Community Development Commission of the City of National City (the "Commission") and U.S. Bank Trust National Association, dated as of March 1, 1998 (the "1998 Indenture"), as it was amended by a First Supplement To Indenture of Trust by and between the Commission and U.S. Bank Trust National Association dated as of March 1, 1999 (so amended, the "Prior Indenture"). The Bank of New York Mellon Trust Company, N.A. has succeeded U.S. Bank Trust National Association as trustee with respect to the 1999 Bonds and for all purposes herein shall be the "Prior Bonds Trustee."

**WITNESSETH:**

WHEREAS, the Commission has previously issued its \$5,050,000 initial aggregate principal amount Community Development Commission of the City of National City 1999 Tax Allocation Housing Bonds (National City Downtown Redevelopment Project) (the "Prior 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 Community Development Commission as the National City Redevelopment Agency (the "Former Agency") being dissolved as of February 1, 2012; and

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

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

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

WHEREAS, the Successor Agency has determined that it is in the Successor Agency's best interest to issue the \$2,669,000 principal amount of Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017B (Private Activity-AMT) (the "2017 Bonds") pursuant to an Indenture of Trust, dated as of September 1, 2017 (the "Indenture"), between the Successor Agency and The Bank of New York Mellon Trust Company, N.A. (the "2017 Trustee"). A portion of the

proceeds of the 2017 Bonds and certain other moneys deposited with the Escrow Bank will be used to provide the funds to pay all regularly scheduled payments of principal and interest on the Prior Bonds, as they accrue, through and including February 1, 2018 (the “Redemption Price”) and to redeem the Prior Bonds maturing after August 1, 2017 on February 1, 2018 (the “Redemption Date”); and

WHEREAS, by irrevocably depositing with the Escrow Bank moneys (as permitted by, in the manner prescribed by, and all in accordance with the Prior Indenture), which moneys, together with the moneys deposited with the Escrow Bank at the same time pursuant to this Agreement, will be fully sufficient to pay and discharge the Prior Bonds;

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

SECTION 1. Deposit of Moneys. The Successor Agency hereby instructs the Prior Bonds Trustee to transfer \$334,741.36 from the Reserve Account (as such is defined in the Prior Indenture) maintained pursuant to the Prior Indenture to the Escrow Bank for deposit into the Escrow Fund established hereunder. The Successor Agency hereby instructs the Escrow Bank to deposit \$2,638,206.97 received from the 2017 Trustee from the proceeds of the sale of the 2017 Bonds into the Escrow Fund established hereunder. The Escrow Bank shall hold all such amounts in irrevocable escrow separate and apart from other funds of the Successor Agency and the Escrow Bank in a fund hereby created and established to be known as the “Escrow Fund” and to be applied solely as provided in this Agreement. The Successor Agency hereby instructs the Escrow Bank to apply \$2,972,610.83 of the moneys held in the Escrow Fund to purchase the defeasance securities listed in Schedule A hereto (the “Defeasance Securities”) and to hold \$337.50 uninvested as cash.

SECTION 2. Investment of Moneys. The Escrow Bank acknowledges receipt of the moneys described in Section 1 and agrees to immediately invest such moneys in the Defeasance Securities listed on Schedule A hereto and to deposit such Defeasance Securities as instructed in Section 1 above. The Escrow Bank shall be entitled to rely upon the conclusion of Causey Demgen & Moore, P.C. (the “Verification Agent”), that the Defeasance Securities listed on Schedule A hereto mature and bear interest payable in such amounts and at such times as, together with cash on deposit in the Escrow Fund, will be sufficient to pay when due with respect to the Prior Bonds, all regularly scheduled payments of principal and interest on and prior to the Redemption Date, and to pay the Redemption Price of the Prior Bonds on the Redemption Date, as shown on Schedule A attached hereto.

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

SECTION 3. Investment of Any Remaining Moneys. At the written direction of the Successor Agency, the Escrow Bank shall reinvest any other amount of principal and interest, or any portion thereof, received from the Defeasance Securities prior to the date on which such payment is required for the purposes set forth herein, in noncallable federal securities maturing not later than the date on which such payment or portion thereof is required for the purposes set forth in Section 5, as verified in a report prepared by an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions delivered to the Escrow Bank and Compass Mortgage Corporation, an Alabama corporation (the “2017 Purchaser”) to the effect that the reinvestment described in said report will not adversely affect the sufficiency of the amounts of securities, investments and money in the Escrow Fund to pay all regularly scheduled payments of principal and interest with respect to the Prior Bonds when due on and prior to the Redemption Date, and to pay the Redemption Price of the Prior Bonds on the Redemption Date, and provided that the Successor Agency has obtained and delivered to the Escrow Bank an unqualified opinion of Nossaman LLP to the effect that such reinvestment shall not cause the interest on the Prior Bonds to be includible in the gross income of the holders of the Prior Bonds. Any interest income resulting from investment or reinvestment of moneys pursuant to this Section 3 which are not required for the purposes set forth in Section 5, as verified in the letter of the Verification Agent originally obtained by the Successor Agency with respect to the refunding of the Prior Bonds or in any other report prepared by an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of tax-exempt obligations of political subdivisions, shall be paid to the Successor Agency promptly upon the receipt of such interest income by the Escrow Bank. The determination of the Successor Agency as to whether an accountant qualifies under this Agreement shall be conclusive.

SECTION 4. Substitution of Securities. Upon the written request of the Successor Agency, and subject to the conditions and limitations herein set forth and applicable governmental rules and regulations, the Escrow Bank shall sell, redeem or otherwise dispose of the Defeasance Securities, provided that there are substituted therefor from the proceeds of the Defeasance Securities other Defeasance Securities, but only after the Successor Agency has obtained and delivered to the Escrow Bank (with a copy to Ambac): (i) an unqualified opinion of Nossaman LLP, to the effect that the substitution of securities is permitted under the legal documents in effect with respect to the Prior Bonds and that such substitution shall not cause the interest on the Prior Bonds to be includible in the gross income of the holders of the Prior Bonds; and (ii) a report by a firm of independent certified public accountants to the effect that the reinvestment described in said report will not adversely affect the sufficiency of the amounts of securities, investments and money in the Escrow Fund to pay all regularly scheduled payments of principal and interest with respect to the Prior Bonds when due on and prior to the Redemption Date and to pay the Redemption Price of the Prior Bonds on the Redemption Date. The Escrow Bank shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Agreement and in full compliance with the provisions hereof.

SECTION 5. Payment of Prior Bonds.

(a) Payment. From the maturing principal of the Defeasance Securities and the investment income and other earnings thereon and other moneys on deposit in the Escrow Fund, the Escrow Bank shall apply the amounts on deposit in the Escrow Fund to pay when due, all regularly scheduled payments of principal and interest with respect to the Prior Bonds when due on and prior to the Redemption Date, and to pay the Redemption Price of the Prior Bonds on the Redemption Date.

(b) Irrevocable Instructions to Provide Notice. The form of the notices required to be mailed pursuant to Section 10.04 of the Supplement is substantially in the form attached hereto as Exhibits A and B. The Successor Agency hereby irrevocably instructs the Escrow Bank to mail a notice of redemption and notice of defeasance in accordance with Section 10.04 of the Supplement. The Successor Agency hereby irrevocably instructs the Escrow Bank to file on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA") the notice attached hereto as Exhibit A no later than December 4, 2017 and the notice attached hereto as Exhibit B no later than 10 days after the deposit of the moneys as set forth in Section 1 hereof. The sole remedy for the Escrow Bank's failure to file such notices on EMMA shall be an action by the holders of the Prior Bonds in mandamus for specific performance or similar remedy to compel performance.

(c) Unclaimed Moneys. Any moneys which remain unclaimed by the owners of the Prior Bonds for two years after September 28, 2017 shall be repaid by the Escrow Bank (without liability for interest) to the Successor Agency.

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

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

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

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

SECTION 8. Escrow Bank's Authority to Make Investments. Except as provided in Sections 3 and 4 hereof, the Escrow Bank shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of the moneys held hereunder.

SECTION 9. Indemnity. The Successor Agency hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Bank and its respective successors, assigns, agents, employees, directors, officers and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Bank at any time (whether or not also indemnified

against the same by the Successor Agency or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds deposited therein, the retention of the proceeds thereof 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 negligence or willful misconduct of the Escrow Bank's respective employees. In no event shall the Successor Agency or the Escrow Bank be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement and the resignation or removal of the Escrow Bank.

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

No provision of this Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers. Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Bank be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Bank has been advised of the likelihood of such loss or damage and regardless of the form of action. The Escrow Bank may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Bank may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

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

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

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

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

SECTION 12. Notice to S&P. The Successor Agency agrees to provide S&P Global Ratings, a Standard & Poor's Financial Services, LLC business, 55 Water Street, 45th Floor, New York, New York 10041, prior notice of each amendment entered into pursuant to Section 11 hereof and a copy of such proposed amendment, and to forward a copy (as soon as possible) of (i) each amendment hereto entered into pursuant to Section 11 hereof, and (ii) any action relating to severability or contemplated by Section 15 hereof.

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

SECTION 14. Compensation. The Escrow Bank shall receive its reasonable fees and expenses (including legal fees and expenses) as previously agreed to by the Escrow Bank and the Successor Agency and any other reasonable fees and expenses of the Escrow Bank approved by the Successor Agency; provided, however, that under no circumstances shall the Escrow Bank be entitled to any lien or assert any lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered or expenses incurred by the Escrow Bank under this Agreement.

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

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

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

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

SECTION 19. Assignment. This Agreement shall not be assigned by the Escrow Bank or any successor thereto without the prior written consent of the Successor Agency, except with respect to mergers, conversions and reorganizations as set forth in Sections 10 and 20 hereof, which shall require no such prior written consent.

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

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

SECTION 22. Notice to Escrow Bank, Successor Agency. Any notice to or demand upon the Escrow Bank may be served or presented, and such demand may be made, at the principal corporate trust office of the Escrow Bank at The Bank of New York Mellon Trust Company, N.A., 400 South Hope Street, Suite 500, Los Angeles, California 90071. Any notice to or demand upon the Successor Agency shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency, 1243 National City Blvd., National City, California 91950, Attention: Executive Director (or such other address as may have been filed in writing by the Successor Agency with the Escrow Bank).

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]*

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

**SUCCESSOR AGENCY TO THE COMMUNITY  
DEVELOPMENT COMMISSION AS THE  
NATIONAL CITY REDEVELOPMENT  
AGENCY**

By:  \_\_\_\_\_  
Executive Director

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

By: \_\_\_\_\_  
Authorized Officer

Accepted:

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

By: \_\_\_\_\_  
Authorized Officer

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

**SUCCESSOR AGENCY TO THE COMMUNITY  
DEVELOPMENT COMMISSION AS THE  
NATIONAL CITY REDEVELOPMENT  
AGENCY**

By: \_\_\_\_\_  
Executive Director

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

By: *Melanie Damij*  
Authorized Officer

Accepted:

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

By: *Melanie Damij*  
Authorized Officer

**SCHEDULE A**

**DEFEASANCE SECURITIES AND ESCROW CASH FLOW**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION**  
**AS THE NATIONAL CITY REDEVELOPMENT AGENCY**  
**TAX ALLOCATION REFUNDING BONDS, SERIES 2017A**  
**TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B**  
**TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)**

**DESCRIPTION OF THE 1999 SECURITIES**  
**AS OF SEPTEMBER 28, 2017**

Type	Settlement Date	Maturity Date	Par Amount	Coupon Rate	Price	Total Purchase Price
<b>1999 DSRF Security</b>						
T-Strip	28-Sep-17	31-Jan-18	\$335,985.72	0.000%	99.618325%	\$334,703.35
<b>1999 BP Security</b>						
T-Strip	28-Sep-17	31-Jan-18	<u>2,648,014.28</u>	0.000%	99.618325%	<u>2,637,907.48</u>
			<u>\$2,984,000.00</u>			<u>\$2,972,610.83</u>

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)

ESCROW ACCOUNT CASH FLOW  
FOR THE REFUNDED 1999 BONDS  
AS OF SEPTEMBER 28, 2017

Date	Cash Receipt from the:		Total Cash Receipts	Cash Disbursement From Escrow (Exhibit A-5)	Cash Balance
	1999 DSRF Security (Exhibit A-1)	1999 BP Security (Exhibit A-2)			
Beginning Balance:					\$337.50
31-Jan-18	\$335,985.72	\$2,648,014.28	\$2,984,000.00		2,984,337.50
01-Feb-18				\$2,984,337.50	0.00
	<u>\$335,985.72</u>	<u>\$2,648,014.28</u>	<u>\$2,984,000.00</u>	<u>\$2,984,337.50</u>	

**EXHIBIT A**

**NOTICE OF REDEMPTION**

**COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF NATIONAL CITY  
1999 TAX ALLOCATION HOUSING BONDS (NATIONAL CITY DOWNTOWN  
REDEVELOPMENT PROJECT**

BASE CUSIP<sup>†</sup> NO. 634900

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (the “Bonds”) of the former Community Development Commission of the City of National City (the “Commission”), issued pursuant to an Indenture of Trust by and between the Commission and U.S. Bank Trust National Association, dated as of March 1, 1998 (the “1998 Indenture”), as it was amended by a First Supplement To Indenture of Trust by and between the Commission and U.S. Bank Trust National Association dated as of March 1, 1999 (so amended, the “Prior Indenture”), that the Bonds listed below in the amount of \$2,910,000 have been called for redemption on February 1, 2018 (the “Redemption Date”). The Bank of New York Mellon Trust Company, N.A. has succeeded U.S. Bank Trust National Association as trustee with respect to the 1999 Bonds and for all purposes herein shall be the “Prior Bonds Trustee.”

<i>CUSIP<sup>†</sup></i>	<i>Maturity (August 1)</i>	<i>Rate</i>	<i>Amount</i>	<i>Price</i>
DZ4	2019	5.000%	\$370,000	98.433
EA8	2029	5.125	2,540,000	98.110

The Bonds will be payable on the Redemption Date at a redemption price of 100% of the principal amount plus accrued interest to such date (the “Redemption Price”). The Redemption Price of the Bonds will become due and payable on the Redemption Date. Interest on the Bonds to be redeemed will cease to accrue and be payable on and after the Redemption Date, and such Bonds will be surrendered to The Bank of New York Mellon Trust Company, N.A., acting in its capacity as escrow bank (the “Escrow Bank”).

Payment of the Redemption Price on the Bonds called for redemption will become due and payable on the Redemption Date upon presentation and surrender thereof in the following manner:

First Class/Registered/Certified:  
The Bank of New York Mellon  
Global Corporate Trust  
P.O. Box 396  
East Syracuse, New York 13057

Express Delivery Only:  
The Bank of New York Mellon  
Global Corporate Trust  
111 Sanders Creek Parkway  
East Syracuse, New York 13057

By Hand Only:  
The Bank of New York Mellon  
Global Corporate Trust  
Corporate Trust Window  
101 Barclay Street 1st Floor East  
New York, New York 10286

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Additional information regarding the foregoing actions may be obtained from The Bank of New York Mellon Trust Company, N.A., Corporate Trust Department, Bondholder Relations, telephone number (800) 254-2826.

If the Owner of any Bond subject to optional redemption fails to deliver such Bond to the Escrow Bank on the Redemption Date, such Bond shall nevertheless be deemed redeemed on the Redemption Date and the Owner of such Bond shall have no rights in respect thereof except to receive payment of the Redemption Price from funds held by the Escrow Bank for such payment.

#### **IMPORTANT TAX NOTICE**

Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), unless the Trustee has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. **Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your certificates.**

Date: December 4, 2017

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

**EXHIBIT B**

**NOTICE OF DEFEASANCE**

**COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF NATIONAL CITY  
1999 TAX ALLOCATION HOUSING BONDS (NATIONAL CITY DOWNTOWN  
REDEVELOPMENT PROJECT**

BASE CUSIP<sup>†</sup> NO. 634900

<i>Maturity Date (August 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Redemption Date</i>	<i>Redemption Price</i>	<i>CUSIP</i>
2019	\$370,000	5.000%	2/1/2018	100.00	DZ4
2029	2,540,000	5.125	2/1/2018	100.00	EA8

Notice is hereby given to the owners of the above-captioned and listed bonds (collectively, the “Refunded Bonds”) that:

(i) There has been deposited in an Escrow Fund with The Bank of New York Mellon Trust Company, N.A., acting in its capacity as escrow bank (the “Escrow Bank”), certain monies and investment securities as permitted by that certain Indenture of Trust by and between the Community Development Commission of the City of National City (the “Commission”) and U.S. Bank Trust National Association, dated as of March 1, 1998 (the “1998 Indenture”), as it was amended by a First Supplement To Indenture of Trust by and between the Commission and U.S. Bank Trust National Association dated as of March 1, 1999 (so amended, the “Prior Indenture”), pursuant to which the Refunded Bonds were issued, for the purpose of defeasing and redeeming the Refunded Bonds. As evidenced by the verification report delivered to the Escrow Bank, the investment securities will mature at the proper times and in the proper amounts to produce funds which, along with the moneys deposited with the Escrow Bank, will be sufficient (a) to pay the principal of and interest on the Refunded Bonds through and including February 1, 2018, and (b) to redeem the Refunded Bonds on February 1, 2018 at the redemption price equal to the principal amount thereof, without premium (the “Redemption Price”).

(ii) The Escrow Bank has been irrevocably instructed by the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the “Successor Agency”), as successor to the Community Development Commission as the National City Redevelopment Agency, to mail a notice of redemption in accordance with the Indenture and to redeem the Refunded Bonds on February 1, 2018.

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(iii) The Refunded Bonds are deemed to be paid in accordance with the Prior Indenture, and all liability of the Successor Agency under the Prior Indenture has ceased and been discharged except for the obligation of the Escrow Bank to pay the owners of the Refunded Bonds the interest on and Redemption Price of the Refunded Bonds when due from amounts on deposit in the Escrow Fund in accordance with the Prior Indenture.

Date: September 28, 2017

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

**THE REGISTERED OWNER OF THIS BOND ACKNOWLEDGES AND AGREES THAT THIS BOND MAY ONLY BE TRANSFERRED UPON SATISFACTION OF THE REQUIREMENTS IN THE INDENTURE OF TRUST, INCLUDING THE DELIVERY TO THE TRUSTEE OF A PURCHASER LETTER IN THE FORM REQUIRED BY THE INDENTURE OF TRUST. ANY TRANSFER OF THIS BOND IN VIOLATION OF THE TRANSFER RESTRICTIONS CONTAINED IN THE INDENTURE OF TRUST SHALL BE VOID AND OF NO EFFECT.**

**UNITED STATES OF AMERICA  
STATE OF CALIFORNIA**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE  
NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BOND, SERIES 2017A**

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>DATED DATE:</u>
2.49%	August 1, 2032	September 28, 2017

REGISTERED OWNER: COMPASS MORTGAGE CORPORATION

PRINCIPAL SUM: FORTY-FIVE MILLION EIGHT HUNDRED SEVENTY-FOUR THOUSAND DOLLARS

The SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY, a public entity duly existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for, if any), the Principal Sum stated above and to pay interest thereon from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Series 2017A Bond, unless (i) this Series 2017A Bond is authenticated after the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day (the "Record Date") and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) this Series 2017A Bond is authenticated on or before January 15, 2018, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Series 2017A Bond, interest is in default on this Series 2017A Bond, this Series 2017A Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Series 2017A Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on August 1 and February 1 in each year, commencing February 1, 2018 (each an "Interest Payment Date"), calculated on the basis of 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon redemption hereof, if any, are payable in lawful money of the United States of America upon presentation and surrender of this Series 2017A Bond at the corporate trust office (the "Principal Corporate Trust Office") of The Bank of New York Mellon Trust Company, N.A. Interest hereon (including the final interest payment upon maturity or redemption) is payable when due by check or

draft of the Trustee mailed on the Interest Payment Date to the 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 preceding Record Date; provided however, that at the written request of any Registered Owner of at least \$1,000,000 aggregate principal amount of the Series 2017A Bonds (as defined below), which written request is on file with the Trustee on any Record Date, interest hereon shall be paid by wire to such account in the United States as is specified in such written request.

This Series 2017A Bond is one of a duly authorized issue of bonds of the Successor Agency designated as "Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A" (the "Series 2017A Bonds"), of an aggregate principal amount of \$45,874,000, all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, or redemption, if any, and other provisions) and all issued pursuant to the provisions of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the "Refunding Law"), the Dissolution Act (as such term is defined in the Indenture), and the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code (the "Law"), and pursuant to an Indenture of Trust, dated as of September 1, 2017, entered into by and between the Successor Agency and the Trustee (the "Indenture"), providing for the issuance of the Series 2017A Bonds.

The Series 2017A Bonds are being issued in the form of registered Series 2017A Bonds without coupons. Simultaneously with the issuance of the Series 2017A Bonds, the Successor Agency is also issuing bonds designated as "Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017B" (the "Series 2017B Bonds") that are payable from Pledged Tax Revenues on a parity with the Series 2017A Bonds. On November 3, 2017, the Successor Agency expects to issue its bonds designated as "Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017B (Private Activity-AMT)" (the "AMT Series 2017B Bonds") that are payable from Pledged Tax Revenues on a parity with the Series 2017A Bonds. Additional Parity Debt may be issued on a parity with the Series 2017A Bonds, the Series 2017B Bonds and AMT Series 2017B Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Dissolution Act and the Law for a description of the terms on which the Series 2017A Bonds, the Series 2017B Bonds and the AMT Series 2017B Bonds are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the Registered Owners of the Series 2017A 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 Series 2017A Bond, by acceptance hereof, assents and agrees. Capitalized terms not otherwise defined herein shall have the meanings given them in the Indenture.

Notwithstanding anything herein or in the Indenture to the contrary, so long as the Series 2017A Bonds are owned by Compass Mortgage Corporation, an Alabama corporation (the "Original Purchaser"), (i) the Trustee shall pay principal of and interest and redemption premium, if any, on the bonds when due by wire transfer in immediately available funds to the Original Purchaser in accordance with such wire transfer instructions as shall be filed by the Original Purchaser with the

Trustee from time to time, (ii) payments of principal on the Series 2017A Bonds shall be made without the requirement for presentation and surrender by the Original Purchaser, provided that principal which is payable at maturity shall be made only upon presentation and surrender at the Principal Corporate Trust Office of the Trustee, and (iii) the Trustee shall not be required to give notice to the Original Purchaser of the sinking fund payments described in the Indenture.

The Series 2017A Bonds have been issued by the Successor Agency for the purpose of providing funds to refinance certain bonds with respect to the Project Area (as such term is defined in the Indenture) and to pay certain expenses of the Successor Agency in issuing the Series 2017A Bonds.

The Series 2017A Bonds are special obligations of the Successor Agency and this Series 2017A Bond and the interest hereon and on all other Series 2017A Bonds and the interest thereon (to the extent set forth in the Indenture), are secured by a statutory pledge of, and lien on, Pledged Tax Revenues deposited or available for deposit into the Redevelopment Property Tax Trust Fund held by the Auditor-Controller of the County of San Diego (the "County"), subject to the payment of the County's administrative charges and certain amounts to taxing entities pursuant to the Dissolution Act, and a pledge of, security interest in and lien on the Pledged Tax Revenues, as more fully described in the Indenture, on deposit in the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and the Debt Service Fund and any fund or account created under the Indenture, and are payable from Pledged Tax Revenues remaining after payment of certain amounts to certain taxing entities as provided in the Dissolution Act and the Indenture.

There has been created, and will be maintained by, the Successor Agency the Special Fund (as defined in the Indenture) into which Pledged Tax Revenues deposited by the Auditor-Controller of the County in the Redevelopment Obligation Retirement Fund shall be transferred and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the Series 2017A Bonds and any additional Bonds (as defined in the Indenture).

The Series 2017A Bonds are subject to redemption as provided in the Indenture.

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

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

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

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

From and after a Determination of Taxability (as defined in the Indenture) the Series 2017A Bonds shall bear interest at the Taxable Rate specified in the Indenture. Further, from and during the continuance of an Event of Default under the Indenture, the Series 2017A Bonds shall bear interest at the Default Rate specified in the Indenture.

The Series 2017A Bonds are issuable as fully registered Bonds without coupons in denominations of \$1,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Series 2017A Bonds may be exchanged for a like aggregate principal amount of Series 2017A Bonds of other authorized denominations and of the same series, tenor and maturity.

This Series 2017A Bond is transferable upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender to the Trustee at the Principal Corporate Trust Office for cancellation, but only in the manner and subject to the limitations provided in the Indenture. **Notwithstanding the foregoing, a Bondowner may only transfer this Bond so long as all Outstanding Bonds are transferred together to a new Bondowner who has delivered a Purchaser Letter (in the form attached to the Indenture as Exhibit D) to the Successor Agency.** Upon registration of such transfer a new fully registered Series 2017A Bond, of any authorized denomination or denominations, for the same aggregate principal amount and of the same series, tenor and maturity will be issued to the transferee in exchange herefor. The Trustee may refuse to transfer or exchange (a) any Series 2017A Bond during the fifteen (15) days prior to the date established for the selection of Series 2017A Bonds for redemption, if any, or (b) any Series 2017A Bond selected for redemption, if any.

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 Series 2017A Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the Registered Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall a Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In no event shall any Supplemental Indenture modify any of the rights or obligations of any Registered Owner without its prior written consent.

This Series 2017A Bond is not a debt, liability or obligation of the City of National City, the State of California, or any of its political subdivisions, and neither said City, said State, nor any of its political subdivisions is liable hereon, nor in any event shall this Series 2017A Bond be payable out of any funds or properties other than those pledged by the Successor Agency. The Series 2017A Bonds do not constitute an indebtedness in contravention 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 Series 2017A 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 Series 2017A 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 Series 2017A Bonds permitted to be issued under the Indenture.

This Series 2017A 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 Community Development Commission as the National City Redevelopment Agency has caused this Series 2017A Bond to be executed in its name and on its behalf with the manual signature of its Chairman and attested by the manual signature of its Secretary, all as of the Dated Date set forth above.

**SUCCESSOR AGENCY TO THE COMMUNITY  
DEVELOPMENT COMMISSION AS THE  
NATIONAL CITY REDEVELOPMENT AGENCY**

By:  \_\_\_\_\_  
Chairman

ATTEST:

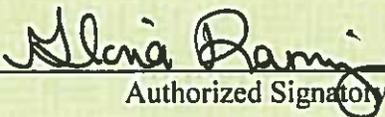
 \_\_\_\_\_  
Secretary

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This is one of the 2017A Bonds described in the within-mentioned Indenture.

Authentication Date: September 28, 2017

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

By:   
Authorized Signatory

**(FORM OF ASSIGNMENT)**

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

\_\_\_\_\_

\_\_\_\_\_

(Name, Address and Tax Identification or Social Security Number of Assignee)  
the within-registered Bond and hereby irrevocably constitute(s) and appoints(s) \_\_\_\_\_ attorney,  
to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signatures Guaranteed:

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

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

**THE REGISTERED OWNER OF THIS BOND ACKNOWLEDGES AND AGREES THAT THIS BOND MAY ONLY BE TRANSFERRED UPON SATISFACTION OF THE REQUIREMENTS IN THE INDENTURE OF TRUST, INCLUDING THE DELIVERY TO THE TRUSTEE OF A PURCHASER LETTER IN THE FORM REQUIRED BY THE INDENTURE OF TRUST. ANY TRANSFER OF THIS BOND IN VIOLATION OF THE TRANSFER RESTRICTIONS CONTAINED IN THE INDENTURE OF TRUST SHALL BE VOID AND OF NO EFFECT.**

**UNITED STATES OF AMERICA  
STATE OF CALIFORNIA**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE  
NATIONAL CITY REDEVELOPMENT AGENCY  
TAXABLE TAX ALLOCATION REFUNDING BOND, SERIES 2017B**

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>DATED DATE:</u>
3.630%	November 3, 2017	September 28, 2017

REGISTERED OWNER: COMPASS MORTGAGE CORPORATION

PRINCIPAL SUM: TWO MILLION SIX HUNDRED SIXTY-NINE THOUSAND DOLLARS

The SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY, a public entity duly existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for, if any), the Principal Sum stated above and to pay interest thereon from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Series 2017B Bond, unless (i) this Series 2017B Bond is authenticated after the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day (the "Record Date") and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) this Series 2017B Bond is authenticated on or before January 15, 2018, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Series 2017B Bond, interest is in default on this Series 2017B Bond, this Series 2017B Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Series 2017B Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on August 1 and February 1 in each year, commencing February 1, 2018 (each an "Interest Payment Date"), calculated on the basis of 360-day year comprised of twelve 30-day months; provided, however, that the Registered Owner agrees that payment of the principal on the maturity date of the Series 2017B Bonds shall be satisfied by the delivery by the Successor Agency of its Tax Allocation Refunding Bonds, Series 2017B (Private Activity-AMT) (the "AMT Series 2017B Bonds") to the Original Purchaser in the principal amount of \$2,669,000 with an interest rate of 2.360%, pursuant to Section 3.04 of the Indenture, and

interest due and payable on and as of the maturity date of this Series 2017B Bond shall be payable on the first Interest Payment Date, February 1, 2018.

This Series 2017B Bond is one of a duly authorized issue of bonds of the Successor Agency designated as “Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017B (the “Series 2017B Bonds”), of an aggregate principal amount of \$2,669,000, all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, or redemption, if any, and other provisions) and all issued pursuant to the provisions of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the “Refunding Law”), the Dissolution Act (as such term is defined in the Indenture), and the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code (the “Law”), and pursuant to an Indenture of Trust, dated as of September 1, 2017, entered into by and between the Successor Agency and the Trustee (the “Indenture”), providing for the issuance of the Series 2017B Bonds.

The Series 2017B Bonds are being issued in the form of registered Series 2017B Bonds without coupons. Simultaneously with the issuance of the Series 2017B Bonds, the Successor Agency is also issuing bonds designated as “Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A” (the “Series 2017A Bonds”) that are payable from Pledged Tax Revenues on a parity with the Series 2017B Bonds. On November 3, 2017, the Successor Agency expects to issue the AMT Series 2017B Bonds that are payable from Pledged Tax Revenues on a parity with the Series 2017A Bonds. Additional Parity Debt may be issued on a parity with the Series 2017B Bonds, the Series 2017A Bonds and the AMT Series 2017B Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Dissolution Act and the Law for a description of the terms on which the Series 2017B Bonds, the Series 2017A Bonds and the AMT Series 2017B Bonds, are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the Registered Owners of the Series 2017B 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 Series 2017B Bond, by acceptance hereof, assents and agrees. Capitalized terms not otherwise defined herein shall have the meanings given them in the Indenture.

The Series 2017B Bonds have been issued by the Successor Agency for the purpose of providing funds to refinance certain bonds with respect to the Project Area (as such term is defined in the Indenture) and to pay certain expenses of the Successor Agency in issuing the Series 2017B Bonds.

The Series 2017B Bonds are special obligations of the Successor Agency and this Series 2017B Bond and the interest hereon and on all other Series 2017B Bonds and the interest thereon (to the extent set forth in the Indenture), are secured by a statutory pledge of, and lien on, Pledged Tax Revenues deposited or available for deposit into the Redevelopment Property Tax Trust Fund held by the Auditor-Controller of the County of San Diego (the “County”), subject to the payment of the County’s administrative charges and certain amounts to taxing entities pursuant to the Dissolution Act, and a pledge of, security interest in and lien on the Pledged Tax Revenues, as more fully

described in the Indenture, on deposit in the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and the Debt Service Fund and any fund or account created under the Indenture, and are payable from Pledged Tax Revenues remaining after payment of certain amounts to certain taxing entities as provided in the Dissolution Act and the Indenture.

There has been created, and will be maintained by, the Successor Agency the Special Fund (as defined in the Indenture) into which Pledged Tax Revenues deposited by the Auditor-Controller of the County in the Redevelopment Obligation Retirement Fund shall be transferred and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the Series 2017B Bonds and any additional Bonds (as defined in the Indenture).

The Series 2017B Bonds are not subject to 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.

From and during the continuance of an Event of Default under the Indenture, the Series 2017B Bonds shall bear interest at the Default Rate specified in the Indenture.

The Series 2017B Bonds are issuable as fully registered Bonds without coupons in denominations of \$1,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Series 2017B Bonds may be exchanged for a like aggregate principal amount of 2017B Bonds of other authorized denominations and of the same series, tenor and maturity.

This Series 2017B Bond is transferable upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender to the Trustee at the Principal Corporate Trust Office for cancellation, but only in the manner and subject to the limitations provided in the Indenture. **Notwithstanding the foregoing, a Bondowner may only transfer this Bond so long as all Outstanding Bonds are transferred together to a new Bondowner who has delivered a Purchaser Letter (in the form attached to the Indenture as Exhibit D) to the Successor Agency.** Upon registration of such transfer a new fully registered Series 2017B Bond, of any authorized denomination or denominations, for the same aggregate principal amount and of the same series, tenor and maturity will be issued to the transferee in exchange herefor. The Trustee may refuse to transfer or exchange (a) any Series 2017B Bond during the fifteen (15) days prior to the date established for the selection of Series 2017B Bonds for redemption, if any, or (b) any Series 2017B Bond selected for redemption, if any.

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 Series 2017B Bonds may be modified or amended at any time in the manner, to the extent and upon the

terms provided in the Indenture, but no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the Registered Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall a Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In no event shall any Supplemental Indenture modify any of the rights or obligations of any Issuer without its prior written consent.

This Series 2017B Bond is not a debt, liability or obligation of the City of National City, the State of California, or any of its political subdivisions, and neither said City, said State, nor any of its political subdivisions is liable hereon, nor in any event shall this Series 2017B Bond be payable out of any funds or properties other than those pledged by the Successor Agency. The Series 2017B Bonds do not constitute an indebtedness in contravention 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 Series 2017B 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 Series 2017B 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 Series 2017B Bonds permitted to be issued under the Indenture.

This Series 2017B 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 Community Development Commission as the National City Redevelopment Agency has caused this Series 2017B Bond to be executed in its name and on its behalf with the manual signature of its Chairman and attested by the manual signature of its Secretary, all as of the Dated Date set forth above.

**SUCCESSOR AGENCY TO THE COMMUNITY  
DEVELOPMENT COMMISSION AS THE  
NATIONAL CITY REDEVELOPMENT AGENCY**

By: \_\_\_\_\_

  
Chairman

ATTEST:

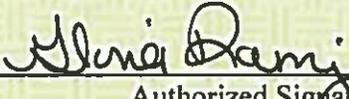
  
Secretary

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This is one of the Series 2017B Bonds described in the within-mentioned Indenture.

Authentication Date: September 28, 2017

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

By:  \_\_\_\_\_  
Authorized Signatory

**(FORM OF ASSIGNMENT)**

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

\_\_\_\_\_  
\_\_\_\_\_

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

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

Dated: \_\_\_\_\_

Signatures Guaranteed:

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

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

**THE REGISTERED OWNER OF THIS BOND ACKNOWLEDGES AND AGREES THAT THIS BOND MAY ONLY BE TRANSFERRED UPON SATISFACTION OF THE REQUIREMENTS IN THE INDENTURE OF TRUST, INCLUDING THE DELIVERY TO THE TRUSTEE OF A PURCHASER LETTER IN THE FORM REQUIRED BY THE INDENTURE OF TRUST. ANY TRANSFER OF THIS BOND IN VIOLATION OF THE TRANSFER RESTRICTIONS CONTAINED IN THE INDENTURE OF TRUST SHALL BE VOID AND OF NO EFFECT.**

**UNITED STATES OF AMERICA  
STATE OF CALIFORNIA**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE  
NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BOND, SERIES 2017B (PRIVATE ACTIVITY-AMT)**

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>DATED DATE:</u>
2.360%	August 1, 2029	November 3, 2017

REGISTERED OWNER: COMPASS MORTGAGE CORPORATION

PRINCIPAL SUM: TWO MILLION SIX HUNDRED SIXTY-NINE THOUSAND DOLLARS

The SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY, a public entity duly existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for, if any), the Principal Sum stated above and to pay interest thereon from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Series 2017B Bond, unless (i) this Series 2017B Bond is authenticated after the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day (the "Record Date") and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) this Series 2017B Bond is authenticated on or before January 15, 2018, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Series 2017B Bond, interest is in default on this Series 2017B Bond, this Series 2017B Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Series 2017B Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on August 1 and February 1 in each year, commencing February 1, 2018 (each an "Interest Payment Date"), calculated on the basis of 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon redemption hereof, if any, are payable in lawful money of the United States of America upon presentation and surrender of this Series 2017B Bond at the corporate trust office (the "Principal Corporate Trust Office") of The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). Interest hereon (including the final interest payment upon maturity or redemption) is

payable when due by check or draft of the Trustee mailed on the Interest Payment Date to the 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 preceding Record Date; provided however, that at the written request of any Registered Owner of at least \$1,000,000 aggregate principal amount of the Series 2017B Bonds (as defined below), which written request is on file with the Trustee on any Record Date, interest hereon shall be paid by wire to such account in the United States as is specified in such written request.

This Series 2017B Bond is one of a duly authorized issue of bonds of the Successor Agency designated as "Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017B (Private Activity-AMT)" (the "Series 2017B Bonds"), of an aggregate principal amount of \$2,669,000, all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, or redemption, if any, and other provisions) and all issued pursuant to the provisions of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the "Refunding Law"), the Dissolution Act (as such term is defined in the Indenture), and the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code (the "Law"), and pursuant to an Indenture of Trust, dated as of September 1, 2017, entered into by and between the Successor Agency and the Trustee (the "Indenture"), providing for the issuance of the Series 2017B Bonds.

The Series 2017B Bonds are being issued in the form of registered Series 2017B Bonds without coupons. The Successor Agency has previously issued its bonds designated as "Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A" (the "Series 2017A Bonds") that are payable from Pledged Tax Revenues on a parity with the Series 2017B Bonds. Additional Parity Debt may be issued on a parity with the Series 2017B Bonds, and the Series 2017A Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Dissolution Act and the Law for a description of the terms on which the Series 2017B Bonds, and the Series 2017A Bonds, are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the Registered Owners of the Series 2017B 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 Series 2017B Bond, by acceptance hereof, assents and agrees. Capitalized terms not otherwise defined herein shall have the meanings given them in the Indenture.

Notwithstanding anything herein or in the Indenture to the contrary, so long as the Series 2017B Bonds are owned by Compass Mortgage Corporation, an Alabama corporation (the "Original Purchaser"), (i) the Trustee shall pay principal of and interest and redemption premium, if any, on the bonds when due by wire transfer in immediately available funds to the Original Purchaser in accordance with such wire transfer instructions as shall be filed by the Original Purchaser with the Trustee from time to time, (ii) payments of principal on the Series 2017B Bonds shall be made without the requirement for presentation and surrender by the Original Purchaser, provided that principal which is payable at maturity shall be made only upon presentation and surrender at the Principal Corporate Trust Office of the Trustee, and (iii) the Trustee shall not be required to give notice to the Original Purchaser of the sinking fund payments described in the Indenture.

The Series 2017B Bonds have been issued by the Successor Agency for the purpose of providing funds to refinance certain bonds with respect to the Project Area (as such term is defined in the Indenture) and to pay certain expenses of the Successor Agency in issuing the Series 2017B Bonds.

The Series 2017B Bonds are special obligations of the Successor Agency and this Series 2017B Bond and the interest hereon and on all other Series 2017B Bonds and the interest thereon (to the extent set forth in the Indenture), are secured by a statutory pledge of, and lien on, Pledged Tax Revenues deposited or available for deposit into the Redevelopment Property Tax Trust Fund held by the Auditor-Controller of the County of San Diego (the "County"), subject to the payment of the County's administrative charges and certain amounts to taxing entities pursuant to the Dissolution Act, and a pledge of, security interest in and lien on the Pledged Tax Revenues, as more fully described in the Indenture, on deposit in the Redevelopment Obligation Retirement Fund, including the Special Fund therein, and the Debt Service Fund and any fund or account created under the Indenture, and are payable from Pledged Tax Revenues remaining after payment of certain amounts to certain taxing entities as provided in the Dissolution Act and the Indenture.

There has been created, and will be maintained by, the Successor Agency the Special Fund (as defined in the Indenture) into which Pledged Tax Revenues deposited by the Auditor-Controller of the County in the Redevelopment Obligation Retirement Fund shall be transferred and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the Series 2017B Bonds and any additional Bonds (as defined in the Indenture).

The Series 2017B Bonds are subject to redemption as provided in the Indenture.

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

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.

From and during the continuance of an Event of Default under the Indenture, the Series 2017B Bonds shall bear interest at the Default Rate specified in the Indenture.

The Series 2017B Bonds are issuable as fully registered Bonds without coupons in denominations of \$1,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Series 2017B Bonds may be exchanged for a like aggregate principal amount of Series 2017B Bonds of other authorized denominations and of the same series, tenor and maturity.

This Series 2017B Bond is transferable upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender to the Trustee at the Principal Corporate Trust Office for cancellation, but only in the manner and subject to the limitations provided in the Indenture. **Notwithstanding the foregoing, a Bondowner may only transfer this Bond so long as all Outstanding Bonds are transferred together to a new Bondowner who has delivered a Purchaser Letter (in the form attached to the Indenture as Exhibit D) to the Successor Agency.** Upon registration of such transfer a new fully registered Series 2017B Bond, of any authorized denomination or denominations, for the same aggregate principal amount and of the same series, tenor and maturity will be issued to the transferee in exchange herefor. The Trustee may refuse to transfer or exchange (a) any Series 2017B Bond during the fifteen (15) days prior to the date established for the selection of Series 2017B Bonds for redemption, if any, or (b) any Series 2017B Bond selected for redemption, if any.

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 Series 2017B Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the Registered Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall a Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In no event shall any Supplemental Indenture modify any of the rights or obligations of any Issuer without its prior written consent.

This Series 2017B Bond is not a debt, liability or obligation of the City of National City, the State of California, or any of its political subdivisions, and neither said City, said State, nor any of its political subdivisions is liable hereon, nor in any event shall this Series 2017B Bond be payable out of any funds or properties other than those pledged by the Successor Agency. The Series 2017B Bonds do not constitute an indebtedness in contravention 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 Series 2017B 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 Series 2017B 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 Series 2017B Bonds permitted to be issued under the Indenture.

This Series 2017B 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 Community Development Commission as the National City Redevelopment Agency has caused this Series 2017B Bond to be executed in its name and on its behalf with the manual signature of its Chairman and attested by the manual signature of its Secretary, all as of the Dated Date set forth above.

**SUCCESSOR AGENCY TO THE COMMUNITY  
DEVELOPMENT COMMISSION AS THE  
NATIONAL CITY REDEVELOPMENT AGENCY**

By: \_\_\_\_\_

 **SPECIMEN**  
Chairman

ATTEST:

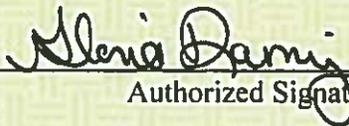
 **SPECIMEN**  
Secretary

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This is one of the Series 2017B Bonds described in the within-mentioned Indenture.

Authentication Date: November 3, 2017

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

By:   
Authorized Signatory

**(FORM OF ASSIGNMENT)**

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

\_\_\_\_\_

\_\_\_\_\_

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

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

Dated: \_\_\_\_\_

Signatures Guaranteed:

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

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

**\$45,874,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A**

**AND**

**\$2,669,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAXABLE TAX ALLOCATION REFUNDING BONDS, SERIES 2017B**

**AND**

**\$2,669,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017B  
(PRIVATE ACTIVITY-AMT)**

**CERTIFICATE REGARDING CITY AND SUCCESSOR AGENCY RESOLUTIONS**

The undersigned hereby states and certifies:

(i) that the undersigned is the duly appointed, qualified and acting City Clerk of the City of National City (the “City”) and Secretary to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the “Agency”), and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same; and

(ii) that the following resolutions (the “Resolutions”) were duly adopted at meetings of the City Council of the City (the “City Council”) and the Board of the Agency that were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, which Resolutions have not been amended, modified, supplemented, rescinded or repealed (except as otherwise identified herein) and remain in full force and effect as of the date hereof;

(a) Resolution No. 2012-15 of the City, entitled “RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY DESIGNATING THE CITY OF NATIONAL CITY AS THE SUCCESSOR AGENCY UNDER PART 1.85 OF THE HEALTH AND SAFETY CODE SUBJECT TO RESERVATIONS HEREIN STATED” adopted on January 10, 2012.

- (b) Resolution No. 2017-91 of the Agency, entitled “RESOLUTION OF THE BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS IN AN AMOUNT OF NOT TO EXCEED \$58,000,000, AND APPROVING THE FORM OF AN INDENTURE OF TRUST, A FORM ESCROW AGREEMENT, A CONTINUING DISCLOSURE CERTIFICATE, AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH” adopted on June 20, 2017.

[Remainder of Page Intentionally Left Blank]

Dated: September 28, 2017

**CITY OF NATIONAL CITY**

**SUCCESSOR AGENCY TO THE  
COMMUNITY DEVELOPMENT  
COMMISSION AS THE NATIONAL CITY  
REDEVELOPMENT AGENCY**

By:   
City Clerk / Secretary

**\$45,874,000**  
**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS**  
**THE NATIONAL CITY REDEVELOPMENT AGENCY**  
**TAX ALLOCATION REFUNDING BONDS, SERIES 2017A**

**AND**

**\$2,669,000**  
**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS**  
**THE NATIONAL CITY REDEVELOPMENT AGENCY**  
**TAXABLE TAX ALLOCATION REFUNDING BONDS, SERIES 2017B**

**AND**

**\$2,669,000**  
**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS**  
**THE NATIONAL CITY REDEVELOPMENT AGENCY**  
**TAX ALLOCATION REFUNDING BONDS, SERIES 2017B**  
**(PRIVATE ACTIVITY-AMT)**

**CERTIFICATE REGARDING OVERSIGHT BOARD RESOLUTION**

The undersigned hereby states and certifies:

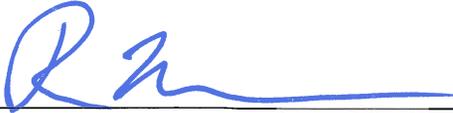
(i) that the undersigned is the duly appointed, qualified and acting Chairman of the Oversight Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the “Oversight Board”), and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same; and

(ii) that the following resolution (the “Resolution”) was duly adopted at a meeting of the Oversight Board that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, which Resolution has not been amended, modified, supplemented, rescinded or repealed (except as otherwise identified herein) and remain in full force and effect as of the date hereof;

- (a) Resolution No. OB No. 2017-07 of the Oversight Board, entitled “RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY APPROVING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS BY THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH” adopted on June 21, 2017.

Dated: September 28, 2017

**OVERSIGHT BOARD OF THE  
SUCCESSOR AGENCY TO THE  
COMMUNITY DEVELOPMENT  
COMMISSION AS THE NATIONAL CITY  
REDEVELOPMENT AGENCY**

By:  \_\_\_\_\_  
Chairman

RESOLUTION NO. 2012 – 15

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY  
DESIGNATING THE CITY OF NATIONAL CITY AS THE SUCCESSOR  
AGENCY UNDER PART 1.85 OF THE HEALTH AND SAFETY CODE  
SUBJECT TO RESERVATIONS HEREIN STATED

WHEREAS, the City of National City formed the Community Development Commission of the City of National City ("Agency"), which has continuously engaged in redevelopment activities under the Community Redevelopment Law (Health and Safety Code sections 33000 et seq.); and

WHEREAS, by enactment of Part 1.85 of the Health and Safety Code, subject to all reservations herein stated, the Agency is subject to dissolution on February 1, 2012, such that the Agency shall be deemed as a former redevelopment agency under Health and Safety Code section 34173(a); and

WHEREAS, Health and Safety Code section 34173(a) designates successor agencies as successor entities to former redevelopment agencies; and

WHEREAS, the City Council of the City of National City desires to declare itself as the successor agency upon the dissolution of the Agency, subject to all reservations herein stated; and

WHEREAS, the City Council of the City of National City hereby desires to adopt this Resolution, subject to the express reservation of rights of the City of National City and Agency under law and/or equity, including without limitation the effectiveness of Assembly Bill No. 26 (2011-2012 1st Ex. Sess.) ("AB 1x 26"), collectively, "Laws"; and

WHEREAS, the City Council does not intend, by adoption of this Resolution, to waive any constitutional and/or legal rights under law and/or equity, including without limitation the effectiveness of AB 1x 26, by virtue of the adoption of this Resolution and, therefore, reserves all of its rights under Laws to challenge the applicability of AB 1x 26 to the Agency and/or the City of National City in any administrative or judicial proceeding; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

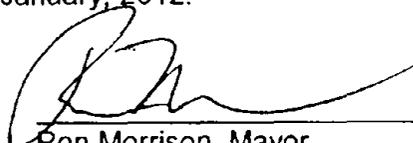
WHEREAS, the City Council of the City of National City hereby finds and determines that the foregoing recitals are true and correct.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AS FOLLOWS:

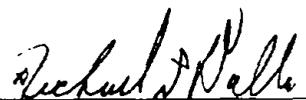
1. Subject to all reservations herein stated, the City of National City hereby elects to become the successor agency under Health and Safety Code section 34173(a) and implement all duties of successor agencies under Part 1.85 of the Health and Safety Code.
2. The City Manager is hereby authorized to administer the responsibilities of the City of National City under Part 1.85 of the Health and Safety Code.

3. This Resolution shall take effect immediately upon its adoption.

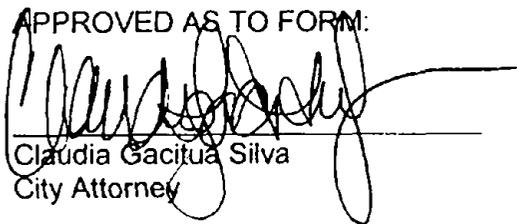
PASSED and ADOPTED this 10th day of January, 2012.

  
\_\_\_\_\_  
Ron Morrison, Mayor

ATTEST:

  
\_\_\_\_\_  
Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Claudia Gacitua Silva  
City Attorney

Passed and adopted by the Council of the City of National City, California, on January 10, 2012 by the following vote, to-wit:

Ayes: Councilmembers Morrison, Natividad, Rios, Sotelo-Solis, Zarate.

Nays: None.

Absent: None.

Abstain: None.

AUTHENTICATED BY: RON MORRISON  
Mayor of the City of National City, California



*Richard J. Pella*  
City Clerk of the City of National City, California

By: \_\_\_\_\_  
Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 2012-15 of the City of National City, California, passed and adopted by the Council of said City on January 10, 2012.

\_\_\_\_\_  
City Clerk of the City of National City, California

By: \_\_\_\_\_  
Deputy

RESOLUTION NO. 2017-07

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

WHEREAS, the Community Development Commission as the National City 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 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, the Redevelopment Plan for the National City Redevelopment Project Area was adopted and approved, and subsequently amended, in compliance with all requirements of the Law, and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with; and

WHEREAS, the Community Development Commission of the City of National City, of which the Prior Agency was a member, has previously incurred the obligations listed on Exhibit A hereto (collectively, the "Prior 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 dissolution of the Prior Agency as of February 1, 2012; and

WHEREAS, the redevelopment powers, assets and obligations of the Prior Agency were transferred on February 1, 2012 to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the "Successor Agency"); and

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

WHEREAS, California Health and Safety Code Section 34177.5(a)(1) authorizes successor agencies to refund outstanding bonds or other indebtedness provided that: (i) the total interest cost to maturity on the refunding bonds or other indebtedness, plus the principal amount of the refunding bonds or other indebtedness, does not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded, plus the remaining principal of the bonds or other indebtedness to be refunded; and (ii) the principal amount of the refunding bonds or other indebtedness does not exceed the amount required to defease the bonds or other

indebtedness to be refunded, to establish customary debt service reserves and to pay related costs of issuance; and

WHEREAS, the Successor Agency desires to authorize and approve the issuance of tax allocation refunding bonds (the "2017 Bonds") in an aggregate principal amount sufficient to refund all or a portion of the Prior Bonds, and to irrevocably set aside a portion of the proceeds of such 2017 Bonds in a separate segregated trust fund which will be used to refund the outstanding Prior Bonds being refunded, to pay costs in connection with the issuance of the 2017 Bonds and to make certain other deposits as required by the Indenture (as defined below); and

WHEREAS, the 2017 Bonds shall be secured by a pledge of property tax revenues authorized by California Health and Safety Code Section 34177.5(a) and (g), pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"); and

WHEREAS, this Oversight Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the "Oversight Board") desires to approve all matters relating to the issuance and sale of the 2017 Bonds as required by Sections 34177.5(f) and 34180 of the Health and Safety Code of the State of California.

NOW THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY, DOES HEREBY RESOLVE AS FOLLOWS:

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

Section 2. The issuance by the Successor Agency to the Community Development Commission as the National City Redevelopment Agency of the 2017 Bonds in an aggregate principal amount sufficient to refund all or a portion of the Prior Bonds for the purpose of achieving debt service savings in accordance with Health & Safety Code Section 34177.5(a)(1) and paying any associated costs or fees in connection with such refunding, in accordance with Health and Safety Code Section 34177.5(a)(1), and the pledge of property tax revenues to the 2017 Bonds pursuant to the Indenture approved by Section 2 of the Successor Agency Resolution (as authorized by California Health and Safety Code Section 34177.5(a) and (g)) is hereby approved. The 2017 Bonds may be issued as a single issue, or from time to time in separate series, as the Successor Agency shall determine. The approval of the issuance of the 2017 Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every separate series of 2017 Bonds and the sale of the 2017 Bonds at a public or private sale.

Section 3. The Successor Agency is authorized and directed to prepare, approve and execute such other documents, including, as necessary, the Indenture, a Bond Purchase Contract, a private placement memorandum, an Official Statement, a Continuing Disclosure Certificate, Escrow Agreements for the Prior Bonds and any additional agreements as may be required to carry out the purposes hereof without the need for any further approval from the Oversight Board. Prior to the pricing of the Bonds, the Oversight Board shall receive an informational financial report from the Successor Agency describing the potential debt service savings on the Prior Bonds and the estimated costs of issuance related to the 2017 Bonds. The receipt of such report shall not be a condition for the issuance of the 2017 Bonds by the Successor Agency.

**Section 4.** The Chairman 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 as they determine are necessary or appropriate to assist the Successor Agency in the issuance of the 2017 Bonds.

**Section 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 2017 Bonds are issued.

**Section 6.** This Resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** by the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency, this 21st day of June, 2017, by the following vote:

**AYES:** Desrochers, Fellows, Kerl, Carson

**NOES:** None.

**ABSENT:** Morrison, McCarthy, Perri

**ABSTAIN:** None.



\_\_\_\_\_  
Ron Morrison, Chairman

**ATTESTED:**



\_\_\_\_\_  
Brad Raulston, Executive Director  
Secretary to the Oversight Board

**EXHIBIT A**  
**PRIOR BONDS**

1. **Community Development Commission of the City of National City 1999 Tax Allocation Housing Bonds (National City Downtown Redevelopment Project)**
2. **Community Development Commission of the City of National City (National City Downtown Redevelopment Project) 2005 Tax Allocation Refunding Bonds, Series B**
3. **Community Development Commission of the City of National City (National City Downtown Redevelopment Project) 2011 Tax Allocation Bonds**

RESOLUTION NO. 2017 – 91

RESOLUTION OF THE BOARD OF THE SUCCESSOR AGENCY  
TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY AUTHORIZING  
THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS  
IN AN AMOUNT OF NOT TO EXCEED \$58,000,000, AND APPROVING  
THE FORM OF AN INDENTURE OF TRUST, A FORM ESCROW  
AGREEMENT, A CONTINUING DISCLOSURE CERTIFICATE, AND  
AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Community Development Commission as the National City 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 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, the Redevelopment Plan for the National City Redevelopment Project Area was adopted and approved, and subsequently amended, in compliance with all requirements of the Law and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with; and

WHEREAS, the Community Development Commission of the City of National ("CDC"), of which the Prior Agency was a member, has previously incurred the obligations listed on Exhibit "A", attached hereto (collectively, the "Prior 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 dissolution of the redevelopment component of the Prior Agency as of February 1, 2012; and

WHEREAS, the Prior Agency, including its redevelopment powers, assets and obligations, was transferred on February 1, 2012 to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the "Successor Agency"); and

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

WHEREAS, California Health and Safety Code Section 34177.5(a)(1) authorizes successor agencies to refund outstanding bonds or other indebtedness provided that: (i) the total interest cost to maturity on the refunding bonds or other indebtedness, plus the principal amount of the refunding bonds or other indebtedness, does not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded, plus the remaining principal of the bonds or other indebtedness to be refunded; and (ii) the principal amount of the refunding bonds or other indebtedness does not exceed the amount required to defease the bonds or other indebtedness to be refunded, to establish customary debt service reserves and to pay related costs of issuance; and

WHEREAS, the Successor Agency now desires to authorize and approve the issuance of tax allocation refunding bonds (the "2017 Bonds") in an aggregate principal amount sufficient to refund all or a portion of the Prior Bonds, and to irrevocably set aside a portion of the proceeds of such 2017 Bonds in a separate segregated trust fund which will be used to refund the outstanding Prior Bonds being refunded, to pay costs in connection with the issuance of the 2017 Bonds and to make certain other deposits as required by the Indenture (as defined below); and

WHEREAS, the 2017 Bonds shall be secured by a pledge of property tax revenues authorized by California Health and Safety Code Section 34177.5(a) and (g), pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"); and

WHEREAS, the Successor Agency wishes at this time to approve matters relating to the issuance and sale of the 2017 Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency as follows:

Section 1. Subject to the provisions of the Indenture referred to in Section 2 hereof, the issuance of the 2017 Bonds, in one or more series, and from time to time, in an aggregate principal amount of not to exceed \$58,000,000, or such lesser amount as is sufficient to refund all or a portion of the Prior Bonds for the purpose of achieving debt service savings in accordance with Health & Safety Code Section 34177.5(a)(1) and the pledge of property tax revenues to the 2017 Bonds pursuant to the Indenture approved by Section 2 of this Resolution (as authorized by California Health and Safety Code Section 34177.5(a) and (g)) is hereby approved on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture. The 2017 Bonds will be dated, will bear interest at the rates, will mature on the dates, will be issued in the form, will be subject to redemption, and will be as otherwise provided in the Indenture, as the same will be completed as provided in this Resolution. The proceeds of the sale of the 2017 Bonds shall be applied as provided in the Indenture. The 2017 Bonds may be issued as a single issue, or from time to time, in separate series, as the Successor Agency shall determine. The approval of the issuance of the 2017 Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every separate series of 2017 Bonds and the sale of the 2017 Bonds at a public or private sale, without the need for any further approval from the Oversight Board.

Section 2. The form of the Indenture of Trust providing for the issuance of the 2017 Bonds, is hereby approved. The Chairman, the Executive Director, and the Assistant Executive Director, any other member of the governing board of the Successor Agency or their respective written designee (each a "Designated Officer" and collectively, the "Designated 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 Indenture, in substantially said form, with such changes therein as the Designated Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. If the Bonds are to be sold in separate series at different times, each of the Designated Officers is hereby authorized and

directed in the name of the Successor Agency to execute any supplement to the Indenture to provide for the issuance of such Series of Bonds consistent with the terms of the Resolution.

Each of the Designated Officers is hereby authorized and directed to execute and countersign each of the 2017 Bond forms on behalf of the Successor Agency, either manually or in facsimile, and such signing as herein provided shall be a sufficient and binding execution of the 2017 Bonds on behalf of the Successor Agency. In case either of such officers whose signature appears on the 2017 Bond forms shall cease to be such officer before the delivery of the 2017 Bonds, such signature shall nevertheless be valid and sufficient for all purposes as though such officer had remained in office until the delivery of the 2017 Bonds.

**Section 3.** The form of the Escrow Agreement is hereby approved. The Designated Officers are, and each of them is, hereby authorized and directed, for and in the name of the Successor Agency, to execute and deliver one or more Escrow Agreements for each series of Prior Bonds in substantially said form, with such changes therein as the Designated 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 is hereby approved. The Designated Officers are, and each of them is, hereby authorized and directed, for and in the name of the Successor Agency, to execute and deliver one or more Continuing Disclosure Certificates in substantially said form, with such changes therein as the Designated Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 5.** Each of the Designated Officers and other appropriate officers of the Successor Agency, acting alone, is authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents and contracts that they may deem necessary or advisable in order to consummate the sale, execution and delivery of the 2017 Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, the 2017 Bonds, the Indenture, the Continuing Disclosure Certificate and the Escrow Agreements, each in order to facilitate the issuance of the 2017 Bonds and otherwise to carry out, give effect to and comply with the terms and Intent of this Resolution, including, without limitation, to amend any of the legal documents entered in connection with the Prior Bonds in order to effectuate the defeasance and refunding of such Prior Bonds, to execute irrevocable refunding instructions with respect to the Prior Bonds, to secure municipal bond insurance on the 2017 Bonds and/or a reserve surety to fund any reserve account or fund established for the 2017 Bonds, if available (which may include entering into a mutual insurance agreement(s) therefor), to enter into an agreement to sell the 2017 Bonds (provided that the underwriters' discount for the sale of the 2017 Bonds shall not exceed 1.00% of the aggregate principal amount of the 2017 Bonds), to request subordination of any amounts required to be paid to an affected taxing entity to any or all of the 2017 Bonds, as the Designated Officer may require or approve, in consultation with Bond Counsel and the Successor Agency's municipal advisor, and any such actions heretofore taken by such officers in connection therewith are hereby ratified, confirmed and approved.

Section 6. NHA Advisors is hereby appointed financial advisor, and Nossaman LLP is hereby appointed bond counsel and disclosure counsel, each to provide such services and any other related services as may be required to issue the 2017 Bonds and to defease and/or refund the Prior Bonds.

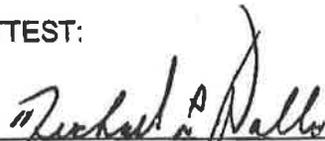
Section 7. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency declares that the Successor Agency would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 8. This Resolution shall take effect immediately upon its adoption by the governing board of the Successor Agency, and the Secretary shall certify the vote adopting this resolution.

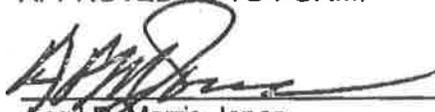
PASSED and ADOPTED this 20th day of June, 2017.

  
\_\_\_\_\_  
Ron Morrison, Chairman

ATTEST:

  
\_\_\_\_\_  
Michael R. Dalla, City Clerk as  
Secretary to the Successor Agency

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Angil P. Morris-Jones  
Successor Agency Counsel

**EXHIBIT "A"**

**PRIOR BONDS**

1. Community Development Commission of the City of National City 1999 Tax Allocation Housing Bonds (National City Downtown Redevelopment Project)
2. Community Development Commission of the City of National City (National City Downtown Redevelopment Project) 2005 Tax Allocation Refunding Bonds, Series "B"
3. Community Development Commission of the City of National City (National City Downtown Redevelopment Project) 2011 Tax Allocation Bonds

Passed and adopted by the Successor Agency to the Community Development Commission as the Redevelopment Agency of the City of National City, California, on June 20, 2017 by the following vote, to-wit:

Ayes: Boardmembers Cano, Mendivil, Morrison, Rios, Sotelo-Solis.

Nays: None.

Absent: None.

Abstain: None.

AUTHENTICATED BY: RON MORRISON  
Chairman of the Successor Agency to the  
Community Development Commission  
as the Redevelopment Agency of the  
City of National City, California

MICHAEL R. DALLA  
City Clerk Serving as Secretary  
to the Successor Agency

By: \_\_\_\_\_  
Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 2017-91 of the Successor Agency to the Community Development Commission as the Redevelopment Agency of the City of National City, California, passed and adopted on June 20, 2017.



Michael R. Dalla  
City Clerk Serving as Secretary  
to the Successor Agency

By: \_\_\_\_\_  
Deputy



September 12, 2017

Mr. Brad Raulston, Executive Director  
City of National City  
1243 National City Boulevard  
National City, CA 91950

Dear Mr. Raulston:

Subject: Approval of Oversight Board Action

The City of National City Successor Agency (Agency) notified the California Department of Finance (Finance) of its June 21, 2017 Oversight Board (OB) Resolution on July 11, 2017. Pursuant to Health and Safety Code section 34179 (h), Finance has completed its review of the OB action.

Based on our review and application of the law, OB Resolution No. 2017-07, approving the issuance and sale of \$58,000,000 in Tax Allocation Refunding Bonds, Series 2017A, is approved.

The Agency desires to refund the 1999 Tax Allocation Housing Bonds, the 2005 Refunding Bonds, Series B, and the 2011 Tax Allocation Bonds issued by the former Redevelopment Agency and anticipates achieving approximately \$11,188,068 in savings over the remaining life of the bonds. Finance's approval is based on our understanding the Agency will not issue refunding bonds unless such bonds meet the requirements outlined in HSC section 34177.5 (a). Following the issuance, the Agency should request funding for the refunding bonds on the next Recognized Obligation Payment Schedule (ROPS), subject to Finance's review and approval.

To the extent the indebtedness obligations approved for refunding per the OB Resolution are refunded in accordance with HSC section 34177.5 and prior to the next ROPS submission, the Agency may use Redevelopment Property Tax Trust Funds received for payment of the currently listed obligations being refunded. Any indebtedness for which refunding is finalized must be separately identified as a new item on a subsequent ROPS and will be subject to Finance's review and approval. Further, pursuant to HSC section 34186 (a), the Agency is required to report estimated obligations and actual payments. Any unspent funds should be reported as prior period adjustments.

This is our determination with respect to the OB action taken.

Mr. Brad Raulston  
September 12, 2017  
Page 2

Please direct inquiries to Kylie Oltmann, Supervisor, or Daisy Rose, Lead Analyst, at (916) 322-2985.

Sincerely,

  
JUSTYN HOWARD  
Program Budget Manager

cc: Ms. Tonya Hussain, Executive Secretary, City of National City  
Mr. Jon Baker, Senior Auditor and Controller Manager, County of San Diego

**\$45,874,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A**

**AND**

**\$2,669,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAXABLE TAX ALLOCATION REFUNDING BONDS, SERIES 2017B**

**AND**

**\$2,669,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017B  
(PRIVATE ACTIVITY-AMT)**

**AGENCY CLOSING AND DELIVERY COSTS CERTIFICATE**

The undersigned, duly authorized officers of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the “Agency”), do hereby state and certify in connection with issuance of the \$45,874,000 principal amount of Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A (the “2017A Bonds”) the \$2,669,000 principal amount of Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017B (the “Taxable 2017B Bonds”), and the \$2,669,000 principal amount of Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017B (Private Activity-AMT) (the “AMT 2017B Bonds,” and together with the Taxable 2017B Bonds, the “2017B Bonds”, and the 2017B Bonds together with the 2017A Bonds, the “Bonds”), as follows (all capitalized terms not otherwise defined herein shall have the meaning given to them in the Indenture of Trust, dated as of September 1, 2017 (the “Indenture”), between The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”) and the Agency):

**A. General.** That the undersigned is the duly appointed, qualified and acting Executive Director of the Agency, a public agency duly organized and existing under the Constitution and laws of the State of California, and, as such, is familiar with the facts herein certified and are authorized to certify the same.

**B. Incumbency.**

**1.** That the undersigned Executive Director is an authorized representative pursuant to the Indenture, which was adopted at a meeting of the Board of the Agency which was called and held pursuant to law and with all notices required by law and at which a quorum was present and acting throughout, approving the issuance of the Bonds, and that the signature set forth above my name is my genuine signature.

2. That the following are now, and have continuously been since the dates of beginning of their respective current terms of office, the duly appointed, qualified and acting members of the Agency Board and officials of the Agency, and the dates of expiration of the respective current terms of office are hereunder designated opposite their names:

<u>Members</u>	<u>Current Term Expires</u>
Ron Morrison, Chairman	November 2018
Albert Mendivil, Vice Chairman	November 2018
Jerry Cano, Member	November 2020
Mona Rios, Member	November 2018
Alejandra Sotelo-Solis, Member	November 2020
Leslie Deese, Executive Director	Appointed
Mike Dalla, Secretary	November 2020

3. That the signatures set forth opposite the names and titles of the following persons are the true and correct specimens, or are the genuine signatures of such persons, each of whom holds the office designated below:

<u>Name and Title</u>	<u>Signature</u>
Ron Morrison, Chair of the Agency and Chairman of the Oversight Board	
Leslie Deese, Executive Director of the Agency	
Mike Dalla, City Clerk and Secretary of the Agency	

**C. Representations and Warranties.**

1. That the representations and warranties contained (i) in the Indenture, (ii) in the Escrow Agreement prepared in connection with the previously-issued 2005 Tax Allocation Refunding Bonds (National City Redevelopment Project), Series B (the “2005 Series B Bonds”) and the previously-issued 2011 Tax Allocation Bonds (National City Redevelopment Project) (the “2011 Bonds”), dated as of September 28, 2017 (the “2017A Escrow Agreement”), by and between the Agency and U.S Bank National Association (the “2017A Escrow Bank”) and (iii) in the Escrow Agreement prepared in connection with the previously issued 1999 Tax Allocation Housing Bonds (National City Downtown Redevelopment Project) (the “1999 Bonds,” and together with the 2005 Series B Bonds and the 2011 Bonds, the “Prior Obligations”), dated as of September 28, 2017 (the “2017B Escrow Agreement” and, with the Indenture and the 2017A Escrow Agreement, the “Agreements”), by and between the Agency and The Bank of New York

**2.** That all approvals, authorizations and consents of any person, including the approval of the Agency, Oversight Board to the Agency, California Department of Finance, or any other governmental authority, which may be required for the Agency to enter into the Agreements and issue the Bonds and to perform the transactions contemplated thereby have been obtained.

**3.** The Agency has complied with all requirements of law, including without limitation Health and Safety Code Section 34177.5, in connection with its approval and execution of the Agreements, the issuance of the Bonds and the performance of the transactions contemplated thereby.

**4.** The Agency has no outstanding obligations with a senior or parity pledge or lien on Pledged Tax Revenues to the pledge and lien of the Bonds.

**5.** The Agency has all necessary power and authority to adopt and perform its duties under the Agreements and the Bonds and has authorized, by proper action meeting all quorum requirements the due execution, entry into and delivery of the Bonds.

**6.** The Agency is not in default under any covenants, conditions or provisions of the Agreements or the Bonds.

**7.** To the best of the Agency's knowledge, the execution and delivery of the Agreements and the Bonds, and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the Agency a breach of or default under any agreement or other instrument to which the Agency is a party or by which it is bound or any court order or consent decree to which the Agency is subject which would have an adverse impact on the Agency's ability to perform its obligations under the Agreements and the Bonds, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under the Agreements or the Bonds.

**8.** There are no pending or, to its knowledge, threatened legal or administrative proceedings to which the Agency is a party or to which property of the Agency is the subject, which are material as to the Agency or which if decided adversely to the Agency could specifically, materially and adversely affect the transactions contemplated by the Agreements or the Bonds or which could materially and adversely affect the validity or enforceability of the Agreements or the Bonds, or which could materially and adversely affect the properties, operations or financial condition of the Agency or its ability to perform its obligations under the Agreements or the Bonds.

**9.** The Agency has not, since its creation, (i) failed to appropriate funds for or (ii) been declared to be in default in the payment of principal of, premium, if any or interest on, or otherwise been declared to be in default with respect to, any bonds, notes or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any or interest.

**10.** There has not been filed with or served upon the Agency a stop notice or any other notice of any lien, right to lien or attachment upon, or claim affecting the right to

receive payment of, any of the proceeds under the Indenture or the Bonds which has not been released or will not be released with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of laws.

**11.** Pursuant to Sections 3.02, 3.03 and 3.04 of the Indenture, the attached Exhibit A lists items designated as costs in connection with the issuance and sale of the Bonds. The items listed in Exhibit A are justly due and owing, have not been the subject of another written request which has been paid, are a proper cost of issuing the Bonds, and are properly charged against the Costs of Issuance Fund. The items listed on Exhibit A are hereby approved for payment by the Trustee from the Costs of Issuance Fund under the Indenture, in the amounts, to the party identified and for the services indicated on the date the Bonds are delivered to the original or draft, as appropriate, free and clear of any lien or pledge created by the Indenture..

To the best of my knowledge, information and belief the expectations herein expressed are reasonable and there are no facts, estimates or circumstances other than those expressed herein that would materially affect the expectations herein expressed. The Trustee is hereby ordered to authenticate the Bonds and when so authenticated to deliver the Bonds or cause the Bonds to be delivered to Compass Mortgage Corporation, as Purchaser of the Bonds at the times set forth in the Indenture.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, we have hereunto set our hand to this Closing Certificate as of the date set forth below.

Dated: September 28, 2017

**SUCCESSOR AGENCY TO THE  
COMMUNITY DEVELOPMENT  
COMMISSION AS THE NATIONAL CITY  
REDEVELOPMENT AGENCY**

By:  \_\_\_\_\_  
Executive Director

**EXHIBIT A****DELIVERY COSTS**

<u>Service Provided and/or Purpose for Charge / Payee</u>	<u>2017A Subaccount Amount</u>	<u>2017B Subaccount Amount</u>	<u>Total Amount</u>
Bond Counsel Fees and Expenses Nossaman LLP	\$52,921.00	\$3,079	\$56,000.00
Financial Advisor Fees and Expenses NHA Advisors LLC	62,500.00	2,000.00	64,500.00
Placement Agent Fees Hilltop Securities Inc.	60,000.00	15,000.00	75,000.00
Fiscal Consultant Fees HdL Coren & Cone	21,262.90	1,237.10	22,500.00
Bank Counsel Stradling Yocca Carlson & Rauth, P.C.	14,175.27	824.73	15,000.00
Trustee/2017B Escrow Bank Fees (Including fees of counsel) The Bank of New York Mellon Trust Company, N.A.	3,565.29	1,919.71	5,485.00
2017A Escrow Bank Fees (Including fees of counsel) U.S Bank National Association.	3,450.00	--	3,450.00
Successor Agency Administration Fee City of National City	33,075.62	1,924.38	35,000.00
Verification Agent Causey Demgen & Moore, P.C.	3,307.56	192.44	3,500.00
CDIAC	4,725.09	274.91	5,000.00
Contingency	11,173.74	1,045.29	12,219.03

## **TAX CERTIFICATE**

This Tax Certificate is executed and delivered by the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the “Issuer”) in connection with the issuance of its Tax Allocation Refunding Bonds, Series 2017A in the aggregate initial principal amount of \$45,874,000 (the “2017A Bonds”) and its Tax Allocation Refunding Bonds, Series 2017B (Private Activity-AMT) in the aggregate initial principal amount of \$2,669,000 (the “2017B Bonds,” and, together with the 2017A Bonds, the “Bonds”). The Issuer is issuing the Bonds pursuant to the laws of the State of California and an Indenture of Trust, dated as of September 1, 2017, (the “Indenture”) by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as Trustee (the “Trustee”). Pursuant to Section 5.11 of the Indenture, and in part pursuant to Treasury Regulations §1.148-2(b)(2), the Issuer certifies, covenants, and represents as follows:

### **ARTICLE I. IN GENERAL**

**1.1 The Issuer.** The Issuer is a public body, corporate and politic, duly established and existing under the Constitution and the laws of the State of California, as successor agency to the Community Development Commission as the National City Redevelopment Agency (the “RDA”). The Issuer has the power of eminent domain.

**1.2 Delivery of the Bonds.** On the date hereof, the Issuer is delivering the 2017A Bonds to BBVA Compass (the “Purchaser”) in exchange for the purchase price of the 2017A Bonds delivered in good funds. On this date the Issuer is also issuing its Taxable Tax Allocation Refunding Bonds, Series 2017B (the “Taxable Bonds”) with a principal amount of \$2,669,000. The Taxable Bonds mature on November 3, 2017, and on that date the Issuer will be delivering the 2017B Bonds to the Purchaser in exchange for the matured Taxable Bonds.

**1.3 Purpose of Tax Certificate.** The Issuer is delivering this Tax Certificate to Nossaman LLP, as Bond Counsel, with the understanding that Bond Counsel will rely in part upon this Tax Certificate in rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986.

**1.4 Purpose of Financing.** The 2017A Bonds are being issued to provide funds to refund on a current basis the RDA’s (National City Redevelopment Project) 2005 Tax Allocation Refunding Bonds, Series B (the “2005B Bonds”), to refund on an advance basis the RDA’s (National City Redevelopment Project) 2011 Tax Allocation Bonds (the “2011 Bonds”), and to pay the costs of issuing the 2017A Bonds. The Taxable Bonds are being issued to provide funds to refund the RDA’s 1999 Tax Allocation Housing Bonds (National City Downtown Redevelopment Project) (the “1999 Bonds”) and to pay the costs of issuing the Taxable Bonds. The 2017B Bonds will be issued to currently refund the Taxable Bonds on their maturity date, causing the securities

purchased with the proceeds of the Taxable Bonds to be transferred proceeds to the 2017B Bonds. At the time of the issuance of the 2017B Bonds and such transfer, the 1999 Bonds will be repaid in less than 90 days, causing the 2017B Bonds to be treated as currently refunding the 1999 Bonds.

The 2005B Bonds were issued to currently refund the RDA's 2001 Variable Rate Demand Tax Allocation Bonds (the "2001 Bonds"). The 2001 Bonds were issued to fund certain redevelopment projects of the RDA, largely consisting of an Education Project (administered by Southwestern Community College District), downtown parking, property purchased for and granted to K-Mart, street improvements, and a marina (the "2001 Projects").

The 2011 Bonds were issued to provide grants to the WI TOD housing project (the "2011 Projects").

The 1999 Bonds were issued to make a loan to Copper Hills Apartments Limited Partnership to finance certain low- and moderate-income housing (the "1999 Projects").

**1.5 Single Issue.** The Bonds were sold to the Purchaser on September 20, 2017 (the "Sale Date"). All of the Bonds are payable from substantially the same source of funds. No other governmental obligations which are expected to be paid out of substantially the same source of funds as the Bonds have been or will be sold within the 31-day period beginning 15 days before the Sale Date pursuant to the same plan of financing as the Bonds other than the Taxable Bonds. The interest on the Taxable Bonds is not intended to be and will not be treated as excluded from federal gross income under Section 103 of the Code, and accordingly the Taxable Bonds will not be treated as part of the same issue as the Bonds. Pursuant to Treasury Regulations Section 1.141-13(d)(1), Section 1.148-9(h), and Section 1.150-1(c)(3), the Issuer hereby elects to treat the 2017A Bonds and the 2017B Bonds as separate issues for certain tax purposes. The bonds designated as the 2017A Bonds and the bonds designated as the 2017B Bonds each have debt service savings in each year compared to the debt service on the 2005B and the 2011 Bonds (in the case of the 2017A Bonds) and debt service on the 1999 Bonds (in the case of the 2017B Bonds). The Issuer hereby elects to treat the bonds designated as the 2017A Bonds and the proceeds derived therefrom as one issue and the bonds designated as the 2017B Bonds and the proceeds derived therefrom as another issue for certain tax purposes.

**1.6 Definitions.** Capitalized terms used and not otherwise defined herein shall have the respective meanings set forth in the Agreement. Unless the context otherwise requires, the following capitalized terms have the following meanings:

**"Bona Fide Debt Service Fund"** means that portion of the funds described in Section 3.4 expected to be used to pay debt service on the Bonds.

**"Bond Year"** means the period beginning on the Closing Date and ending on September 28, 2018 (or on an earlier date selected by the Issuer in accordance with Treasury Regulations

§1.148-1(b)) and each successive one-year period thereafter. The last Bond Year will end on the last day on which any Bonds are outstanding for Federal tax purposes.

**“Closing Date”** means the date of this Tax Certificate.

**“Code”** means the Internal Revenue Code of 1986 (including amendments thereto).

**“Governmental Unit”** means any State, or political subdivision of a State, but excludes the United States and its agencies or instrumentalities.

**“Gross Proceeds”** has the meaning used in Treasury Regulations §1.148-1(b), and generally means all proceeds derived from or relating to the Bonds, including Sale Proceeds, Investment Proceeds, and other amounts expected to be used to pay debt service on the Bonds.

**“Investment Proceeds”** means earnings received from investing and reinvesting Sale Proceeds and from investing and reinvesting such earnings.

**“Investment Property”** means any security or obligation, any annuity contract, or any other investment-type property, but does not include any Tax-Exempt Bond unless such obligation is a “specified private activity bond” within the meaning of Section 57(a)(5)(C) of the Code.

**“Net Sale Proceeds”** means Sale Proceeds less \$100,000.

**“Nongovernmental Person”** means any person or entity other than a Governmental Unit.

**“Nonpurpose Investment”** means any Investment Property in which Gross Proceeds are invested.

**“Opinion of Counsel”** means a written opinion of nationally recognized bond counsel to the effect that the exclusion from gross income for federal income tax purposes of the interest on the Bonds will not be adversely affected.

**“Rebate Requirement”** means the amount of rebatable arbitrage computed as of the last day of any Bond Year pursuant to Treasury Regulations §1.148-3.

**“Sale Proceeds”** means the amount of \$45,874,000 in the case of the Series 2017A Bonds, comprising the principal amount of the 2017A Bonds, and the amount of \$2,669,000 in the case of the Series 2017B Bonds, comprising the principal amount of the 2017B Bonds.

**“Spendable Proceeds”** means, the net amount received as a result of the sale of a bond issue (after payment of all expenses of issuing the bond issue financed from proceeds of the bond issue) minus the sum of (i) \$100,000 and (ii) the amount of proceeds from the sale of the bond

issue, if any, expended within 3 years of the date such bond issue is issued in payment of the interest components of payments pursuant to the bond issue.

**“Tax-Exempt Bond”** means any obligation the interest on which is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code or Section 103 of the Internal Revenue Code of 1954, as amended (the “1954 Code”), and Title XIII of the Tax Reform Act of 1986, as amended, as well as stock in a regulated investment company to the extent at least 95 percent of income to the stockholder is treated as interest that is excludable from gross income under Section 103 of the Code.

**“Yield”** means that discount rate described in Section 4.1 of this Tax Certificate.

**1.7 Reliance.** With respect to certain matters contained in this Tax Certificate, the Issuer specifically relies upon certifications of the Purchaser outlined in the Purchaser’s Certificate attached hereto as Exhibit A. The Issuer is not aware of any facts or circumstances that would cause it to question the accuracy or reasonableness of any representation made in this Tax Certificate or in the Exhibit hereto.

**1.8 Retention of Records.** The Issuer covenants to maintain all records relating to the requirements of the Code and the representations, certifications and covenants set forth in this Agreement until the date three years after the last of the Bonds has been retired. If any part of the Bonds is refunded by Tax-Exempt obligations (the “Refunding Bonds”), the Issuer covenants to maintain all records required to be retained by this Section 1.9 until the later of the date three years after the last of the Bonds has been retired or the date three years after the last Refunding Bonds have been retired. The records that must be retained include, but are not limited to:

a. Basic records and documents relating to the Bonds (including the Indenture, this Tax Certificate, the Form 8038-G, and the opinion of bond counsel);

b. Documentation evidencing the expenditures of the Bond proceeds and evidencing expenditure of the proceeds of the 2005B Bonds, the 2011 Bonds, and the 1999 Bonds and the bonds and notes refunded with such Bonds for the components of the various Projects and allocations of Bond proceeds to such components;

c. Documentation pertaining to any investment of Gross Proceeds of the Bonds (including the purchase date, purchase price, information establishing fair market value on the date such investment became allocated to the Bonds, any accrued interest paid, face amount, coupon rate, periodicity of interest payments, disposition price, any accrued interest received, disposition date, SLGs subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts, and rebate calculations);

d, Documentation evidencing use of the Projects by public and private sources (i.e., copies of management contracts, research agreements, leases, etc.); and

e. Documentation evidencing all sources of payment or security for the Bonds.

## ARTICLE II. GENERAL TAX LIMITATIONS

**2.1 Application of Sale Proceeds and Certain Other Moneys.** The Sale Proceeds of the Series 2017A Bonds will be used as follows:

2017A Refunding Fund	\$45,603,843.53
Costs of Issuance Fund	270,156.47
<b>TOTAL:</b>	<b><u>\$45,874,000.00</u></b>

The amount deposited into the 2017A Refunding Fund will be immediately transferred to the escrow bank under the 2017A Escrow Agreement and deposited into the escrow fund to defease the 2005B Bonds and the 2011 Bonds. In addition, \$306,941.22 held in the debt service reserve fund for the 2005B Bonds and \$774.77 held in the debt service funds for the 2005B Bonds will be deposited into the escrow and used to repay the 2005B Bond and \$4,151,295.87 held in the debt service reserve fund for the 2011 Bonds, \$3,008.92 held in the debt service fund for the 2011 Bonds, and \$1,045,278.00 held in the Project Fund for the 2011 Bonds will be deposited into the escrow and used to help repay the 2011 Bonds. No other moneys remain with respect to the 2005B Bonds or the 2011 Bonds.

The Sale Proceeds of the Taxable Bonds will be used as follows:

2017B Refunding Fund	\$2,638,206.97
Costs of Issuance Fund	27,497.56
Deposit to Debt Service Fund for Taxable Bonds	3,295.47
<b>TOTAL:</b>	<b>\$2,669,000.00</b>

The amount deposited into the 2017B Refunding Fund will be immediately transferred to the escrow bank under the 2017B Escrow Agreement and deposited into the escrow fund to defease the 1999 Bonds. In addition, \$334,741.36 held in the debt service reserve fund for the 1999 Bonds will be deposited into the escrow and used to help repay the 1999 Bonds. No other moneys remain with respect to the 1999 Bonds.

Upon their issuance on November 3, 2017, the Sale Proceeds of the 2017B Bonds will be deemed spent immediately to redeem the Taxable Bonds. At that time the investments held in the 2017B Escrow Fund that were purchased with the Taxable Bonds will become transferred proceeds to the 2017B Bonds and, accordingly, the 2017B Bonds will be deemed to be a current refunding of the 1999 Bonds.

**2.2 Expenditure of Gross Proceeds.** For purposes of this Tax Certificate, Gross Proceeds of the Bonds will be treated as spent when they are used to pay or reimburse disbursements by the Issuer that are (i) the costs of paying principal, interest, or call premium on the 2005B Bonds, the 2011 Bonds, or the 1999 Bonds or (ii) costs of issuing the Bonds.

**2.3 Governmental Bond Status of 2017A Bonds.**

- (a) The payment of the principal of or the interest on not more than 10% of the proceeds of the 2017A Bonds has been or will be, directly or indirectly, (A) secured by any interest in (i) property used or to be used in a trade or business carried on by any Nongovernmental Person or (ii) payments in respect of such property, or (B) derived from payments (whether or not by or to the Issuer), in respect of property, or borrowed money, used or to be used for a private use by any Nongovernmental Person.

**2.4 Change in Use.** The Issuer reasonably expects to use all proceeds of the 2017A Bonds as set forth in Section 2.3 of this Tax Certificate for the entire stated term to maturity of the 2017A Bonds. Absent an Opinion of Counsel, the Issuer in fact will use all proceeds of the 2017A Bonds as set forth in Section 2.3 of this Tax Certificate.

**2.5 Qualified Private Activity Bond Status of 2017B Bonds.**

- (a) At least 95% of the proceeds of the 2017B Bonds will be used to provide qualified residential rental projects within the meaning of Section 142(d) of the Code. For the entire qualified project period, which ends on the latest of the date which is 15 years after the Closing Date, the first date on which none of the 2017B Bonds are outstanding, and the date on which any assistance provided with respect to the project under section 8 of the United States Housing Act of 1937 terminates, at least 20% of the units in the 1999 Project will continue to be rented to persons whose income is 50% of less of area median gross income.
- (b) All of the dwelling units in the 1999 Project are similarly constructed units and each dwelling unit contains complete separate and distinct facilities for living, sleeping, eating, cooking, and sanitation. None of the units will at any time be utilized on a transient basis nor used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home, retirement house, or trailer court or park.

- (c) All of the dwelling units will be available for rental on a continuous basis to members of the general public. The 1999 Project consists of a parcel or parcels that are contiguous except for the interposition of a road, street, or stream.
- (d) The amount of the 2017B Bonds does not exceed the outstanding amount of the 1999 Bonds and the 1999 Bonds received an allocation of the applicable state volume cap on private activity bonds in 1999 when they were issued. The 2017B Bonds are being issued to currently refund the 1999 Bonds.
- (e) The weighted average maturity of the 2017B Bonds is not more than 120% of the remaining reasonably expected useful life of the 1999 Project.
- (f) No more than 25% of the proceeds of the 1999 Bonds were used to purchase land or an interest therein.
- (g) None of the proceeds of the 1999 Bonds were used to purchase existing property.
- (h) No portion of the 1999 Bonds were used to provide any airplane, skybox or other private luxury box, health club facilities, facilities primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises.
- (i) Prior to issuance of the 1999 Bonds, a public notice was published regarding a public hearing relating to the issuance of the 1999 Bonds and the issuance of the 1999 Bonds was approved by the applicable governmental units as provided in Section 147(f) of the Code. The 2017B Bonds are a current refunding of the 1999 Bonds and the average maturity of the 2017B Bonds does not exceed the remaining weighted average maturity of the 1999 Bonds.
- (j) No more than 2% of the proceeds of the 2017B Bonds will be spent to pay for the costs of issuing the 2017B Bonds.

**2.6 Registered Form.** The Bonds are being issued in registered form.

**2.7 Federal Guarantee.** The Issuer has not and will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Issuer or any related party or take or omit to take any action that would cause the Bonds to be a bond that is “federally guaranteed” within the meaning of Section 149(b) of the Code. In furtherance of this covenant, the Issuer has not and will not allow the payment of principal or interest with respect to the Bonds to be guaranteed (directly or indirectly) in whole or in part by the United States or any agency or instrumentality thereof. Except as provided in the next sentence, the Issuer will not use 5% or more of the proceeds of the Bonds to make or finance loans the payment of principal or interest with

respect to which is guaranteed in whole or in part by the United States or any agency or instrumentality thereof, nor will it invest 5% or more of the proceeds in federally insured deposits or accounts. The preceding sentence shall not apply to:

- (a) investments of proceeds in the Bona Fide Debt Service Fund or the Costs of Issuance Fund, to the extent amounts in such funds or accounts qualify for unrestricted yield investment pursuant to Sections 3.4 or 3.5 of this Tax Certificate, or
- (b) investments in obligations issued by the United States Department of Treasury.

**2.8 Information Reporting.** The Issuer will cause a properly completed and executed IRS Form 8038-G to be filed with respect to the 2017A Bonds no later than November 15, 2017 and a properly completed and executed IRS Form 8038 to be filed with respect to the 2017B Bonds no later than February 15, 2018.

**2.9 Refundings.** Proceeds of the Bonds will not be used directly or indirectly to make principal, interest or premium payments with respect to any governmental obligations other than the 2005B Bonds, the 2011 Bonds, and the 1999 Bonds. A portion of the proceeds of the 2017A Bonds used to pay the 2005B Bonds on October 30, 2107. The 2017B Bonds will be delivered on November 3, 2017 and the transferred proceeds of the 2017B Bonds will be used to pay the 1999 Bonds on February 1, 2018. Thus, the refundings of the 2005B Bonds and the 1999 Bonds are current refundings. The 2011 Bonds will be called on August 1, 2021, the first call date for the 2011 Bonds. The 2011 Bonds were used to finance grants and were not used to refund any prior tax-exempt debt. The amounts deposited into the escrow for the 2011 Bonds from the prior debt service fund for the 2011 Bonds and from the project fund for the 2011 Bonds will be used to make the cash deposit into the escrow and to purchase the earliest maturing investments in the escrow. The proceeds of the Bonds deposited into the escrow for the 2011 Bonds and the amounts deposited into the escrow from the reserve fund for the 2011 Bonds will be used to purchase a pro rata amount of the remaining investments, and such investments will not have a yield in excess of the yield on the Bonds.

**2.10 No Pooling.** The Issuer will not use any proceeds of the Bonds directly or indirectly to make or finance loans to two or more ultimate borrowers.

**2.11 No Hedge Bonds.** As of the dates that each issue of the 2005B Bonds, the 2011 Bonds, the 1999 Bonds, and the bonds issued refunded by such bonds were issued, the RDA reasonably expected to spend at least 85% of the spendable proceeds of such obligations within three years, and the RDA did not invest more than 50% of the proceeds of such Bonds in Nonpurpose Investments having a substantially guaranteed yield for four years or more.

### **ARTICLE III. ARBITRAGE GENERAL**

**3.1 Reasonable Expectations.** This Article III states the Issuer's reasonable expectations with respect to the amounts and uses of proceeds of the Bonds and certain other moneys.

**3.2 Offering Price.** The Issuer is delivering the Bonds to the Purchaser on the date hereof (in the case of the 2017A Bonds) and on November 3, 2017 (in the case of the 2017B Bonds) in exchange for payment of a total purchase price of \$48,543,000. Based upon the Purchaser's Certificate, the Purchaser has purchased the Bonds for its own investment and does not presently intend to reoffer the Bonds to other members of the public.

**3.3 Funds and Accounts.** Under the Indenture and otherwise, the following funds and accounts are established with respect to the Bonds:

- Costs of Issuance Fund
- Debt Service Fund
  - Interest Account
  - Principal Account
  - Redemption Account
- Rebate Fund
- Refunding Fund
- Redevelopment Obligation Retirement Fund
  - Special Fund
- Redevelopment Property Tax Trust Fund

The Issuer will also establish Escrow Accounts to make payment on the 2005B Bonds, the 2011 Bonds, and the 1999 Bonds.

Pledged tax revenues are deposited from time to time into the Redevelopment Property Tax Trust Fund. The County Auditor-Controller transfers all amounts in the Redevelopment Property Tax Trust Fund to which the Issuer is entitled to the County for deposit into the Redevelopment Obligation Retirement Fund and thence into the Special Fund. The Issuer on a semi-annual basis transfers amounts from the Special Fund to the Trustee for deposit into the Interest Account and the Principal Account of the Debt Service Fund. The Indenture also creates a Costs of Issuance Fund (to be used to pay costs of issuance) and a Refunding Fund (which will be depleted on the Closing Date).

The Issuer expects that neither it nor any other person benefiting from the issuance of the Bonds will use any moneys in any fund or account, directly or indirectly, to pay principal of or interest on the Bonds; nor is any other fund or account, however established, so pledged as security for the Bonds that there is a reasonable assurance that amount held in such other fund or account will be available if needed to pay debt service on the Bonds.

### **3.4 Debt Service Funds.**

**3.4.1 Payment of the Bonds.** The Bonds are an obligation of the Issuer payable from pledged tax revenues.

**3.4.2 Net Revenues.** The pledged tax revenues are to be collected as described above and ultimately used to pay debt service on the Bonds. Debt service payments on the Bonds are payable from pledged tax revenues, which are expected to equal or exceed debt service on the Bonds during each Bond Year. Therefore, all amounts transferred to pay debt service are expected to be derived from current pledged tax revenues.

**3.4.3 Match Between Net Revenues and Debt Service.** The Redevelopment Property Tax Trust Fund, the Redevelopment Obligation Retirement Fund, the Special Fund, and the Principal and Interest Accounts in the Debt Service Fund (to the extent each are used to pay debt service on the Bonds) will be used primarily to achieve a proper matching of revenues and debt service within each Bond Year. The portion of the current pledged tax revenues used each year to pay debt service on the Bonds will be depleted at least once a year except for a carryover amount not to exceed the greater of the prior Bond Year's earnings on such fund or 1/12th of the prior Bond Year's debt service in respect of the Bonds. Pledged tax revenues and amounts in the Redevelopment Property Tax Trust Fund, the Redevelopment Obligation Retirement Fund the Special Fund, and the Principal and Interest Accounts in the Debt Service Fund (to the extent each are used to pay debt service on the Bonds) will be spent (in the aggregate) within thirteen months after the date of receipt of the pledged tax revenues, and any amounts received from the investment or reinvestment of such monies will be expended (in the aggregate) within one year after the date of accumulation thereof. Such amounts to be used to pay current debt service on the Bonds may be invested without regard to yield as a Bona Fide Debt Service Fund. Other tax revenues are neither expected to be used to pay debt service on the Bonds nor so pledged that there is a reasonable expectation that they will be available in the event of financial difficulties of the Issuer, and accordingly are not Gross Proceeds and may be invested without regard to yield.

**3.5 Costs of Issuance Fund.** Amounts deposited into the Costs of Issuance Fund will be used to pay the costs of issuing the Bonds within 90 days after the Closing Date. Such amounts may be invested without regard to yield.

**3.6 Escrow Accounts.** The Issuer reasonably expects that all of the Sale Proceeds of the Bonds deposited into the Escrow Accounts relating to the 2005B Bonds and the 1999 Bonds will be allocated to payment of principal, interest and call premium (if any) on the 2005B Bonds and the 1999 Bonds no later than 90 days after the respective issue dates of the 2017A Bonds and the 2017B Bonds. Such amounts may be invested without regard to yield. The Sale Proceeds of the Bonds deposited into the Escrow Account relating to the 2011 Bonds have been invested in open market securities that were purchased pursuant to a bidding process. Materials relating to the bidding process are attached as Exhibit B. The yield on such proceeds is

less than the yield on the Bonds and is higher than the yield that could have been achieved by acquiring United States Treasury Obligations—State and Local Government Series.

**3.7 No Other Replacement Proceeds.** Neither the Issuer nor any related person will use any Gross Proceeds of the Bonds directly or indirectly to replace funds of the Issuer or any related person, which funds are or will be used directly or indirectly to acquire Investment Property reasonably expected to produce a yield that is materially higher than the yield on the Bonds. The weighted average maturity of the Bonds (8.554 years) does not exceed 120% of the expected remaining weighted average economic useful life of the Projects.

**3.8 No Overissuance.** Taking into account anticipated investment earnings, proceeds from the sale of the Bonds do not exceed the amount necessary to pay costs of refunding the 2005B Bonds, the 22011 Bonds, and the 1999 Bonds and to pay the costs of issuing the Bonds.

**3.11 No Abusive Arbitrage Device.** The Bonds are not and will not be part of a transaction or series of transactions that (a) enables the Issuer or any related person to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (b) overburdens the market for tax-exempt obligations in any manner, including, without limitation, by selling obligations that would not otherwise be sold, or selling more obligations, or issuing obligations sooner, or allowing obligations to remain outstanding longer, than otherwise would be necessary.

**3.11 No Expected Sale.** It is not expected that the Projects or any part thereof refinanced in whole or in part by the Bonds will be sold or otherwise disposed of before August 1, 2032, the last scheduled maturity date of the Bonds.

#### **ARTICLE IV. ARBITRAGE - YIELD AND YIELD RESTRICTION**

**4.1 Yield.** For purposes of this Tax Certificate, yield is calculated as set forth in Section 148(b) of the Code and Treasury Regulations Sections 1.148-4 and 1.148-5. Thus, yield on the Bonds or yield on Investment Property generally means that discount rate which, when used in computing the present value of all unconditionally payable payments representing principal and interest, produces an amount equal to the issue price of the Bonds or the purchase price of the Investment Property, as appropriate. Based upon the Certificate of the Purchaser, attached as Exhibit A, the aggregate issue price of the Bonds is \$48,543,000.00. The yield on the Bonds has been calculated to be at least 2.484206%.

**4.2 No Qualified Hedges.** No contract has been, and (absent an Opinion of Counsel) no contract will be entered into such that failure to take the contract into account would distort the yield on the Bonds or otherwise would fail clearly to reflect the economic substance of the transaction.

**4.3 Yield Restriction.** Absent an Opinion of Counsel, if the sum of (A) any amounts held in Bona Fide Debt Service Funds and remaining unexpended after 13 months from the date of accumulation in any such funds, plus (B) any Sale Proceeds deposited into the Escrows unspent as of six months after the Closing Date, at any time in the aggregate exceeds \$100,000, such amount will be invested either (i) in Investment Property with a yield not exceeding the yield on the Bonds, (ii) in assets that are not treated as Investment Property (e.g., Tax-Exempt Bond), or (iii) in assets that satisfy the requirements for qualified yield reduction payments set forth in Treasury Regulations §1.148-5(c), subject to the limitation set forth in §1.148-10(b)(1)(ii).

**4.4 Yield on Loan to Copper Hills Apartments Limited Partnership.** The yield on the loan to Copper Hills Apartments Limited Partnership does not exceed the yield on the Bonds by more than 1.50 percentage points.

## **ARTICLE V. REBATE**

**5.1 Undertakings.** Pursuant to the Installment Sale Agreement, the Issuer has covenanted to comply with certain requirements of the Code. The Issuer acknowledges that the United States Department of the Treasury has issued regulations with respect to certain of these undertakings, including the proper method for computing whether any rebate amount is due the federal government under Section 148(f) of the Code. (Treas. Reg. §§1.148-1 through 1.148-11, 1.150-1 and 1.150-2.) The Issuer covenants that it will undertake to determine what is required with respect to the rebate provisions contained in Section 148(f) of the Code and said regulations from time to time and will comply with any requirements that may apply to the Bonds. Except to the extent inconsistent with any requirements of the Code or future regulations, the Issuer will undertake the methodology described in this Tax Certificate.

**5.2 Recordkeeping.** The Issuer shall maintain or cause to be maintained detailed records with respect to each Nonpurpose Investment attributable to Gross Proceeds, including: (a) purchase date; (b) purchase price; (c) information establishing fair market value on the date such investment became a Nonpurpose Investment; (d) any accrued interest paid; (e) face amount; (f) coupon rate; (g) periodicity of interest payments; (h) disposition price; (i) any accrued interest received; and (j) disposition date. Such detailed recordkeeping is required to facilitate the calculation of the Rebate Requirement.

### **5.3 Rebate Requirement Calculation and Payment.**

- (a) The Issuer will prepare or cause to be prepared an annual calculation of the Rebate Requirement consistent with the rules described in this Section 5.3. The Issuer will complete the annual calculation of the Rebate Requirement within 55 days after the close of each Bond Year and within 55 days after the first date on which no portion of the Bonds remains outstanding.

- (b) For purposes of calculating the Rebate Requirement (i) the aggregate amount earned with respect to a Nonpurpose Investment shall be determined by assuming that the Nonpurpose Investment was acquired for an amount equal to its fair market value (determined as provided in Treasury Regulations §1.148-5(d)(6)) at the time it becomes a Nonpurpose Investment, and (ii) the aggregate amount earned with respect to any Nonpurpose Investment shall include any unrealized gain or loss with respect to the Nonpurpose Investment (based on the assumed purchase price at fair market value and adjusted to take into account amounts received with respect to the Nonpurpose Investment and earned original issue discount or premium) on the first date when no portion of the Bonds remains outstanding or when the investment ceases to be a Nonpurpose Investment.
- (c) The Issuer shall pay to the United States Department of the Treasury not later than 60 days after the end of the fifth Bond Year and each succeeding fifth Bond Year, an amount equal to 90% and, not later than 60 days after the first of the Rebate Requirement (determined as of the end of the immediately preceding Bond Year), all as set forth in Section 1.148-3 of the Treasury Regulations.
- (d) Each payment required to be made pursuant hereto shall be filed with the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date such payment is due, and shall be accompanied by Form 8038-T. The Issuer shall retain records of the calculations required by this Section 5.3 until six years date on which portion of the Obligation remains outstanding.

#### **5.4 Exceptions from Rebate Requirement.**

- (a) **Bona Fide Debt Service Funds Exception.** To the extent that the Bona Fide Debt Service Funds comply with the requirements of Section 3.4 hereof, no rebate calculations will need to be made with respect to any moneys in the Bona Fide Debt Service Funds during any Bond Year.
- (b) **Six-Month Expenditure Exception.** In general, no rebate calculations will be required with respect to Sale Proceeds or Investment Proceeds if 100% of such proceeds actually are spent within six months after the Closing Date to finance costs of the refunding.

#### **5.5 Investments and Dispositions.**

- (a) **General Rule.** No Investment Property may be acquired with Gross Proceeds for an amount (including transaction costs, except as otherwise provided in Treasury Regulations § 1.148-5(e)) in excess of the fair market value of such Investment Property. No Investment Property may be sold or otherwise disposed of for an

amount (including transaction costs, except as otherwise provided in Treasury Regulations §1.148-5(e)) less than the fair market value of the Investment Property.

- (b) **Fair Market Value.** In general, the fair market value of any Investment Property is the price a willing buyer would pay to a willing seller to acquire the Investment Property, with no amount paid artificially to reduce or increase the yield on such Investment Property. This Section 5.5 describes various safe harbors for determining fair market value. With an Opinion of Counsel, other methods may be used to establish fair market value, provided, however, that such methods comply with the requirements of Treasury Regulations §1.148-5(d)(6).
- (c) **Arm's-length Purchases and Sales.** If Investment Property is acquired pursuant to an arm's length transaction without regard to any amount paid to reduce the yield on the Investment Property, the fair market value of the Investment Property shall be the amount paid for the Investment Property (without increase for transaction costs, except as otherwise provided in Treasury Regulations §1.148-5(e)). If Investment Property is sold or otherwise disposed of in an arm's length transaction without regard to any reduction in the disposition price to reduce the Rebate Requirement, the fair market value of the Investment Property shall be the amount realized from the sale or other disposition of the Investment Property (without reduction for transaction costs, except as otherwise provided in Treasury Regulations §1.148-5(e)).
- (d) **SLGS.** If a United States Treasury obligation is acquired directly from or disposed of directly to the United States Department of the Treasury (as in the case of the United States Treasury Securities--State and Local Government Series), such acquisition or disposition shall be treated as establishing a market for the obligation and as establishing the fair market value of the obligation.
- (e) **Investment Contracts.** The purchase price of any Investment Property acquired pursuant to an investment contract (within the meaning of Treasury Regulations §1.148-1(b)) shall be determined as provided in Treasury Regulations §1.148-5. No investment contract shall be acquired with Gross Proceeds unless the requirements of Treasury Regulations § 1.148-5 are satisfied. With respect to any investment contract, the Issuer will obtain from the provider of the investment contract, broker thereof or other party, such information, certification or representation as will enable the Issuer to determine that these requirements are satisfied.

General Rule. Pursuant to Treasury Regulations § 1.148-5, the purchase price of an investment contract will be considered to be fair market value if:

- (1) the Issuer makes (or has made on its behalf) a bona fide written solicitation for the investment contract, timely forwarded to potential providers. The solicitation

specifies all the material terms of the investment contract (i.e., all the terms that could directly or indirectly affect the yield or the cost of the investment). The solicitation has a legitimate business purpose (i.e., a purpose other than to increase the purchase price or reduce the yield) for every term of the bid specification. The terms of the solicitation take into account the Issuer's reasonably expected deposit and drawdown schedule for the amounts to be received;

- (2) all bidders have an equal opportunity to bid so that, for example, no bidder is given the opportunity to review other bids (a last look) before bidding;
- (3) the Issuer solicits bids from at least three investment contract providers with established industry reputations as competitive providers of investment contracts;
- (4) the Issuer includes in the bid specifications a statement to potential bidders that by submitting a bid, the provider is making certain representations that the bid is bona fide, and specifically that 1) the bidder did not consult with any other potential provider about its bid, 2) the bid was determined without regard to any other formal or informal agreement that the potential provider had with the issuer or any other person, and 3) the bid was not submitted solely as a courtesy to the issuer or any other person for purposes of satisfying the requirements of Treasury Regulations §1.148-5;
- (5) the Issuer receives at least three bids from providers that do not have a material financial interest in the issue (the following investment contract providers are considered to have a material financial interest in the issue: 1) a lead underwriter in a negotiated underwriting, but only until 15 days after the issue date of the issue, 2) an entity acting as a financial advisor with respect to the purchase of the investment contract at the time the bid specifications were forwarded to potential providers; and 3) any related party to a provider that is disqualified for one of the two preceding reasons);
- (6) at least one of the bids received by the Issuer that meets the requirements of the preceding paragraph is from an investment contract provider with an established industry reputation as a competitive provider of investment contracts;
- (7) if an agent for the Issuer conducts the bidding process, the agent does not bid;
- (8) the winning bid is the highest yielding bona fide bid (determined net of any broker's fees); and
- (9) the provider of the investment contract certifies as to all administrative costs to be paid on behalf of the Issuer, including any fees paid as broker commissions in connection with the investment contract.

- (f) **Established Securities Market.** The fair market value of any Investment Property not directly purchased with Gross Proceeds for which there is an established securities market (within the meaning of Treasury Regulations §15A.453-1(e)(4)(iv)) shall be determined as provided in Treasury Regulations §20.2031-2, as adjusted by Treasury Regulations §1.148-5(d). Any market especially established to provide Investment Property to an issuer of governmental obligations shall not be treated as an established securities market.
- (g) **Certificates of Deposit.** The fair market value of a certificate of deposit issued by a commercial bank that has a fixed interest rate, a fixed principal payment schedule, a fixed maturity and a substantial penalty for early withdrawal shall be determined as provided in this subsection (g). The fair market value of a certificate of deposit which does not have the foregoing attributes may be determined by reference to the bona fide bid price quoted by a dealer who maintains an active secondary market in such certificate of deposit. The purchase price of a certificate of deposit will be considered to be fair market value if:
- (1) the yield on the certificate of deposit is not less than the yield on reasonably comparable direct obligations of the United States; and
  - (2) the yield on the certificate of deposit is not less than the highest published yield of the provider thereof which is currently available on comparable certificates of deposit offered to the public.
- (h) **Broker Compensation.** For purposes of computing the Yield on any investment contract acquired through a broker, reasonable compensation received by such broker, whether payable by or on behalf of the obligor or obligee of such investment contract, may be taken into account in determining the cost of the investment contract (as provided in Treasury Regulations § 1.148-5(e)(2)(iii)). Compensation is deemed reasonable if does not exceed the lesser of (i) \$39,000 or (ii) 0.2% of the amount reasonably expected, as of the date of acquisition of the investment contract, to be invested under the investment contract over its term, or, if more, \$4,000. In addition, the total fees received by the broker with respect to the investment of any proceeds of the Bonds that are taken into account with respect to all investment contracts, at any time, may not exceed \$111,000. All amounts referenced are to be adjusted for inflation after the Closing Date.

**5.6 Segregation of Proceeds.** In order to perform the calculations required by the Code, it is necessary to track separately all of the Gross Proceeds. To that end, the Issuer shall cause to be established separate accounts or subaccounts, or shall take such other accounting measures as are necessary in order to account fully for all Gross Proceeds.

**5.7 Filing Requirements.** The Issuer will file or cause to be filed such reports or other documents with the Internal Revenue Service as are required by the Code.

**5.8 Retention of Firm.** The Issuer has not engaged Bond Counsel to perform any rebate or yield reduction payment calculations that may be required to be made from time-to-time with respect to the Bonds. The Issuer acknowledges that Bond Counsel has no responsibility to perform any rebate calculations or to ensure that any rebate calculations are being done unless Bond Counsel specifically agrees to do so in writing.

## ARTICLE VI. OTHER MATTERS

**6.1 Expectations.** The undersigned is an authorized representative of the Issuer acting for and on behalf of the Issuer in executing this Tax Certificate. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change the expectations as set forth herein, and said expectations are reasonable.

**6.2 Amendments.** Notwithstanding any other provision of this Tax Certificate, the Issuer may amend this Tax Certificate and thereby alter any actions allowed or required by this Tax Certificate if such amendment is signed by an authorized officer and is supported by an Opinion of Counsel.

**6.3 Survival of Defeasance.** Notwithstanding any provision in this Tax Certificate or the Bonds to the contrary, the obligation to remit the Rebate Requirement, if any, to the United States Department of the Treasury and to comply with all other requirements contained in this Tax Certificate shall survive defeasance and repayment of the Bonds.

Dated: September 28, 2017

SUCCESSOR AGENCY TO THE COMMUNITY  
DEVELOPMENT COMMISSION AS THE NATIONAL  
CITY REDEVELOPMENT AGENCY

By:



Executive Director

**EXHIBIT A**  
**PURCHASER'S CERTIFICATE**

## PURCHASER'S CERTIFICATE

Compass Mortgage Corporation, an Alabama corporation (the "Purchaser") hereby certifies and represents the following with respect to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A in the aggregate initial principal amount of \$45,874,000 (the "2017A Bonds") and Tax Allocation Refunding Bonds, Series 2017B (Private Activity-AMT) in the aggregate initial principal amount of \$2,669,000 (the "2017B Bonds," and, together with the 2017A Bonds, the "Bonds"):

### A. Issue Price.

1. As of September 20, 2017 (the "Sale Date"), the Purchaser agreed to purchase the 2017A Bonds for \$45,874,000 and the 2017B Bonds for \$2,669,000. The Purchaser presently intends to hold the Bonds for its own account and has no present intent to reoffer the Bonds to the public.

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Nothing herein represents our interpretation of any laws or regulations under the Internal Revenue Code of 1986, as amended.

Dated: September 28, 2017

**COMPASS MORTGAGE CORPORATION,**  
an Alabama corporation

By:   
\_\_\_\_\_  
Authorized Representative

**EXHIBIT B**  
**BIDDING MATERIALS**

# **BIDDING AGENT CERTIFICATE**

## CERTIFICATE OF BIDDING AGENT

This Certificate is being furnished by Causey, Demgen & Moore P.C. (the “Bidding Agent”) with respect to the bidding for the purchase of certain securities (the “Escrow Securities”) in connection with the issuance by the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the “Issuer”) of the Issuer’s (1) Tax Allocation Refunding Bonds, Series 2017A and (2) Tax Allocation Refunding Bonds, Series 2017B (Private Activity-AMT) (collectively, the “Bonds”). Proceeds of the Bonds will be used to defease certain maturities of the Community Development Commission of the City of National City’s (1) 1999 Tax Allocation Housing Bonds (National City Downtown Redevelopment Project), (2) 2005 Tax Allocation Refunding Bonds, Series B (National City Redevelopment Project) and (3) 2011 Tax Allocation Bonds (National City Redevelopment Project) (collectively, the “Prior Bonds”). This Certificate is intended to be used by Nossaman, LLP, as Bond Counsel with respect to the Bonds, in connection with their opinion regarding the exclusion from gross income for federal income tax purposes of interest payable on the Bonds. The undersigned HEREBY CERTIFIES as follows:

1. On September 20, 2017, the Bidding Agent participated in the solicitation of bids for the purchase of the Escrow Securities, to be held in or credited to the escrow account. In connection with the solicitation of bids, the Bidding Agent timely forwarded to potential bidders a bona fide solicitation for the sale or purchase, as applicable, of the Escrow Securities that specified, in writing, all material terms of such sale or purchase.
2. The terms of the bid specifications were commercially reasonable. Each term was included for a legitimate business reason, other than to increase the purchase price or decrease the yield for the Escrow Securities.
3. The bid specifications contained a notice to potential bidders that submission of a bid is a representation that the potential bidder did not consult with any other potential bidder about its bid, that the bid was determined without regard to any formal or informal agreement that the potential bidder has with the Issuer, the Bidding Agent, or any other person (whether or not in connection with the Bonds or the Prior Bonds), and that the bid is not being submitted solely as a courtesy to the Issuer, the Bidding Agent, or any other person for purposes of satisfying the federal income tax regulations relating to the yield and valuation of investments in connection with tax-exempt bonds.
4. At least three reasonably competitive bidders were solicited for bids of the Escrow Securities. A reasonably competitive bidder is one that has an established industry reputation as a competitive seller of the type of securities being purchased. All potential bidders had an equal opportunity to bid, and no potential bidder was given the opportunity to review other bids before providing a bid.
5. Of the bidders solicited by the Bidding Agent, the Bidding Agent received five bids for the Escrow Securities from bidders meeting the qualifications of the specifications and having no material financial interest (as provided herein) in the Bonds. Each of

the bids was from a reasonably competitive provider, and no bid was from the Bidding Agent. As used herein, a bidder with a material financial interest is one who (i) served as a lead underwriter in connection with the Bonds, or (ii) served as a financial advisor in connection with the transaction described herein, or (iii) is a related party to either (i) or (ii) in this sentence.

6. The sale price submitted by Wells Fargo Securities (the "Provider") was the lowest price submitted (including any broker's fees) for which qualifying bids with respect to the purchase of the Escrow Securities were made. The Provider is a reasonably competitive provider of securities such as the Escrow Securities and has no material financial interest in the Bonds, as defined in Section 5 above.
7. United States Treasury Securities, State and Local Government Series were not available for purchase on the bid date of the Escrow Securities.
8. The Bidding Agent was paid a total fee of \$4,000 (the "Fee") in connection with the purchase of the Escrow Securities. Except for the Fee, no other amount has been or will be paid to the Bidding Agent by any person in connection with the sale or purchase of the Escrow Securities. The Fee is a reasonable fee for the Bidding Agent's services in connection with soliciting bids for the purchase of the Escrow Securities, and such amount does not exceed the lesser of i) \$39,000 or ii) 0.2% of the amount of gross proceeds of the Bonds, as of the date of purchase of the Escrow Securities, initially invested in the Escrow Securities or, if more, \$4,000.
9. Attached hereto is documentation that the Bidding Agent provided to the Issuer, which sets forth (i) for each bid that was submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; and (ii) the bid solicitation form and, if the terms of the bids deviated from the bid solicitation form or a submitted bid was modified, a brief statement explaining the deviation and stating the purpose for the deviation.

The undersigned is authorized to execute this certificate on behalf of the Bidding Agent, which is based on one or more of (i) personal knowledge, (ii) inquiry deemed adequate by the undersigned, and (iii) institutional knowledge regarding the matters set forth herein.

Dated: September 28, 2017

CAUSEY DEMGEN & MOORE P.C.

By: William Abou

Title: Principal

# **REQUEST FOR BIDS FORM**

-REQUEST FOR BIDS-  
**SUCCESSOR AGENCY TO THE  
COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY**  
Security Portfolio

Causey Demgen & Moore P.C., on behalf of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the "Issuer"), is soliciting bids to purchase Eligible Securities (defined below) to fund separately the escrow requirements for the 1999 Escrow (as defined herein) and the 2011 Escrow (as defined herein) set forth in **Exhibit A** hereto. The Defeasance Escrows (as defined herein) will be established in connection with the issuance of the (1) 2017A Tax Allocation Refunding Bonds and the (2) 2017B Tax Allocation Refunding Bonds (AMT) (collectively, the "Bonds") by the Issuer.

- Bid Date:** September 20, 2017
- Bid Time:** 12:00 p.m. Eastern Time
- Bid Award:** 12:10 p.m. Eastern Time
- Settlement Date:** September 28, 2017 (on the Settlement Date, the Winning Bidder (as defined herein) shall be required to guarantee delivery of the Eligible Securities (as defined herein) by 11:00 a.m. Eastern Time)
- Bid Submittal:** Bids are to be emailed to Causey Demgen & Moore P.C., Bidding Agent, at [investmentbids@causeycpas.com](mailto:investmentbids@causeycpas.com) by 12:00 p.m. EDT on September 20, 2017 and followed up by a fax of the bid form provided as **Exhibit B** attached hereto, to (303) 468-8233. A fax copy of the bid form must be received promptly following the email bid by the bidder. All bids will be considered firm for 10 minutes after the Bid Time. Conditional bids will not be accepted.
- Eligible Securities:** Eligible Securities shall consist of non-callable direct and general obligations of the United States of America including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America.
- Substitution of Eligible Securities Prior to Settlement:** If the Winning Bidder (defined below) cannot deliver the Eligible Securities on the Settlement Date as outlined in its proffered portfolios, the Winning Bidder will have the right to deliver other Eligible Securities for the Defeasance Escrow. Any such substitution must be determined and the details of which must be provided to the Bidding Agent at least 5 business days prior to the Settlement Date. The cost of the new portfolio must not exceed the cost of the original portfolio and the other Eligible Securities shall provide sufficient cash-flow to meet the cash-flow requirements as set forth

in **Exhibit A** herein. Additional professional fees incurred by the Issuer due to any such substitution will be at the expense of the Winning Bidder.

**Structure:**

The Issuer is seeking to purchase Eligible Securities for the Defeasance Escrows to provide sufficient cash-flow to defease certain debt service of the Community Development Commission of the City of National City's (1) 1999 Tax Allocation Housing Bonds (National City Downtown Redevelopment Project) (the "1999 Bonds") and (2) (National City Redevelopment Project) 2011 Tax Allocation Bonds (the "2011 Bonds"). The 1999 Bonds will be defeased from securities held in a certain escrow account (herein referred to as the "1999 Escrow"). The 2011 Bonds will be defeased from securities held in a certain escrow (herein referred to as the "2011 Escrow"). The 1999 Escrow and the 2011 Escrow are herein collectively referred to as the "Defeasance Escrows". The Defeasance Escrows must be funded with Eligible Securities, plus an initial cash deposit, if any, made by the Issuer. The Issuer's required initial cash deposit, if any, **must** be included in each bidder's Cost of Funding (as defined herein) in order to allow direct comparisons between bids.

Each bidder will specify a dollar amount required for the Defeasance Escrows, which will be produced by adding the following: (1) the one-time sale by such bidder to the Issuer of Eligible Securities, (2) any initial cash deposit made by the Issuer and (3) the bidding agent fee (herein collectively referred to as the "Cost of Funding").

The Escrow Agents will deliver cash, equal to the purchase price of the Eligible Securities, to the Winning Bidder upon receipt of the Eligible Securities (on a delivery versus payment basis), that together with any initial cash deposit made by the Issuer, will be sufficient to fund the Defeasance Escrows. The final maturity of the Eligible Securities cannot exceed the final payment date of the cash flow requirements set forth in **Exhibit A**.

**Basis of Award:**

The award shall be made to the bidder who provides the lowest overall Cost of Funding for funding the Defeasance Escrows (the "Winning Bidder"). Each bidder's Cost of Funding **must** include the cost of the Eligible Securities, the bidding agent fee and the Issuer's initial cash deposit, if any, required to fund the Defeasance Escrows. The Issuer reserves the right to reject any and all bids in its sole discretion if it determines it is in its best interest to do so.

**Ties:**

In the event of a tie in bids, the Winning Bidder will be determined by the time the bid was submitted, with award being made to the bidder who submitted its bid first.

**Identifying Escrow:**

Within one hour of award, the Winning Bidder must detail the specific Eligible Securities with respect to each Defeasance Escrow to be delivered to the Escrow Agents on the Settlement Date. Portfolio details must be provided to Causey Demgen & Moore P.C. Failure to provide portfolio details within the allotted time period may result in the rescission of the Bid Award to the non-complying bidder.

Successor Agency to the Community Development  
Commission as the National City Redevelopment Agency

**1999 Escrow Agent:** The Bank of New York Mellon Trust Company, N.A.

**2011 Escrow Agent:** U.S. Bank National Association

**Bidding Agent:** Causey Demgen & Moore P.C.

**Verification Agent:** Causey Demgen & Moore P.C.

**Municipal Advisor:** NHA Advisors

**Placement Agent:** Hilltop Securities, Inc.

**Bond Counsel:** Nossaman LLP

**Confirm Information:**

Tax ID#:	To be provided
Issuer Legal Name:	Successor Agency to the Community Development Commission as the National City Redevelopment Agency
Issuer Contact:	Mark Roberts, Director of Finance
Issuer Address:	1243 National City Boulevard, National City, California 91950
1999 Escrow Contact:	Gloria Ramirez (213) 630-6409
2011 Escrow Contact:	Ilse Vlach (213) 615-6051
DVP Instructions:	To be provided

**Enclosures:** Exhibit A – Cashflow Requirement  
Exhibit B – Bid Form  
Exhibit C – Certificate of the Winning Bidder

**Comments:** If for any reason issuance of the Bonds is not completed or the purchase of the Eligible Securities does not take place or is delayed, the Winning Bidder will have no recourse against the Issuer, Municipal Advisor, Placement Agent, Bidding Agent, Escrow Agents, Verification Agent or Bond Counsel for any expenses incurred or damages sustained.

**Award will be subject to escrow verification.**

**Any questions regarding this bid may be directed to Justin Greaser at (303) 672-9887.**

**Other Requirements and Provisions:**

1. The Winning Bidder must sign and deliver the certification regarding administrative costs, yield and other matters, so as to satisfy the “safe harbor” regulations promulgated by the Treasury Department in Treas. Reg. § 1.148-5(d)(6)(iii). This certificate is set forth as **Exhibit C** hereto and must be delivered on or prior to the Settlement Date and dated the Settlement Date. All bidders are hereby notified that submission of a bid is a representation that (A) the potential bidder did not consult with any other potential bidder about its bid, (B) the bid was determined without regard to any other formal or informal agreement that the potential bidder has with the Issuer or any other person (whether or not in connection with the bond issue), and (C) the bid is not being submitted solely as a courtesy to the

Issuer or any other person for the purpose of satisfying the requirement that (a) at least three bids be obtained from disinterested bidders solicited under a bona fide solicitation, and (b) at least one of the three bids is from a reasonably competitive bidder.

2. All payments are to be made in same day funds and will be conducted on a delivery versus payment basis.
3. No fees will be paid and no expenses reimbursed by the Issuer.
4. No exceptions to the terms herein will be permitted.
5. **As Bidding Agent in this transaction, Causey Demgen & Moore P.C. will receive a fee payable by the Winning Bidder in the amount of \$4,000.**
6. All potential bidders will have an equal opportunity to bid. No potential bidder will have the opportunity to review other bids ("last-look") before submitting a bid.
7. The Winning Bidder will guarantee delivery of Eligible Securities and in the event of a failure to deliver the Eligible Securities, shall be required to deliver, at the option of the Issuer (at a cost not to exceed the original portfolio), cash and/or other Eligible Securities necessary to provide sufficient cash-flow to meet the cash-flow requirements as set forth in **Exhibit A** herein and shall pay any and all additional professional fees and other costs incurred by the Issuer due to any such substitution. In the event that the Winning Bidder is required to deliver cash, the Winning Bidder will retain the right, for a period of thirty (30) calendar days beginning on the Settlement Date, to deliver the failed securities on a daily basis (business days only) in full or in part to the Escrow Agents at the original applicable price offered using the original settlement date and will be credited back in whole or on a pro-rated basis, as applicable, the cash deposit for any or all portions of the failed securities. In the event that the Winning Bidder delivers the failed securities in part, such delivery must occur on the last business day during the thirty (30) day period in which the Winning Bidder retains the right to deliver the failed securities.

**EXHIBIT A**

**SUCCESSOR AGENCY TO THE  
COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY**

**CASHFLOW REQUIREMENTS**

**SECURITIES MUST BE IDENTIFIED SEPARATELY FOR EACH ESCROW**

<b>Payment Date</b>	<b>1999 Escrow</b>	<b>2011 Escrow</b>	<b>Total Debt Payment</b>
01-Feb-18	\$2,984,337.50	\$ 1,197,850.00	\$ 4,182,187.50
01-Aug-18		2,512,850.00	2,512,850.00
01-Feb-19		1,164,975.00	1,164,975.00
01-Aug-19		2,609,975.00	2,609,975.00
01-Feb-20		1,127,043.75	1,127,043.75
01-Aug-20		2,647,043.75	2,647,043.75
01-Feb-21		1,083,343.75	1,083,343.75
01-Aug-21		32,778,343.75	32,778,343.75
	<u>\$2,984,337.50</u>	<u>\$45,121,425.00</u>	<u>\$48,105,762.50</u>

**Key Dates:**

- |                       |   |
|-----------------------|---|
| 1. September 20, 2017 | Bid Date  |
| 2. September 28, 2017 | Closing/Settlement Date                         |
| 3. February 1, 2018   | 1999 Escrow Cashflow Requirement Final Maturity |
| 4. August 1, 2021     | 2011 Escrow Cashflow Requirement Final Maturity |

**EXHIBIT B**

**SUCCESSOR AGENCY TO THE  
COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY**

Security Portfolio

**BID FORM**

September 20, 2017

**Fax: (303) 468-8233**

For the Defeasance Escrows evidenced as **Exhibit A** in the Request for Bids, which is hereby made a part of this bid, we hereby offer to provide Eligible Securities sufficient to fund the Defeasance Escrows, meeting the requirements on the respective dates as reflected in **Exhibit A**. The bidder acknowledges that if it is the Winning Bidder it must sign and deliver the certificate in the form attached to the Request for Bids as **Exhibit C** on or prior to the Settlement Date and dated the Settlement Date. The bidder hereby represents that it did not consult with any other potential bidder about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential bidder has with the Issuer or any other person and that the bid is not being submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the requirements that (a) at least three bids be obtained from disinterested bidders solicited under a bona fide solicitation, and (b) at least one of the three bids is from a reasonably competitive bidder. Terms used but not defined herein shall have the meaning provided in the Request for Bid to which this Bid Form is attached as **Exhibit B**.

**The Winning Bidder must detail the specific Eligible Securities with respect to each Defeasance Escrow to be delivered to the Escrow Agent on the Settlement Date.**

By submitting this bid, we certify that the security or securities provided will be Eligible Securities that—subject to verification—will be sufficient in amount to meet the cash flow requirements as indicated in **Exhibit A**.

**Name of Bidder:** \_\_\_\_\_

**Contact:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Cost of Funding:\*** \_\_\_\_\_

Bids will be accepted by email at [investmentbids@causeycpas.com](mailto:investmentbids@causeycpas.com) by 12:00 p.m. Eastern Time and must be followed promptly by a faxed bid form. Please fax bid responses to Causey Demgen & Moore P.C. at (303) 468-8233.

\* Cost of Funding must include the cost of the Eligible Securities as well as any initial cash deposit to be made by the Issuer and the bidding agent fee.

**EXHIBIT C**  
**SUCCESSOR AGENCY TO THE**  
**COMMUNITY DEVELOPMENT COMMISSION**  
**AS THE NATIONAL CITY REDEVELOPMENT AGENCY**  
Security Portfolio  
**CERTIFICATE OF THE WINNING BIDDER**

The undersigned hereby states and certifies to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the "Issuer") as follows:

1. The undersigned is a \_\_\_\_\_ of \_\_\_\_\_ (the "Winning Bidder"), and is authorized to execute and deliver this certificate on behalf of the Winning Bidder and is knowledgeable with respect to the matters set forth herein.
2. The Winning Bidder is a reasonably competitive provider of securities of the type comprising the Eligible Securities, and the Winning Bidder (including any related party) has no material financial interest (within the meaning of Treasury Regulations Section 1.148-5(d)(6)(iii)(B)(1)) in the Issuer's (1) 2017A Tax Allocation Refunding Bonds and the (2) 2017B Tax Allocation Refunding Bonds (AMT) (collectively, the "Bonds") other than as a bidder to provide Eligible Securities to satisfy the cash flow requirements set forth as **Exhibit A** to the Solicitation (defined in 4 below).
3. The Winning Bidder is, on the date hereof, delivering securities to The Bank of New York Mellon Trust Company, N.A. and U.S. Bank National Association, as escrow agents to the Issuer, against payment for such securities.
4. The Winning Bidder received a solicitation for bids (the "Solicitation") with respect to the cash flow requirements and submitted its bid to provide Eligible Securities for the cash flow requirements in compliance with the terms of such solicitation.
5. The Winning Bidder represents that the bid was: (1) determined without consultation with any other bidder, (2) determined without regard to any other formal or informal agreement with the Issuer or any other person (whether or not in connection with the issuance of the Bonds described herein), and (3) not submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the requirement that (a) at least three bids be obtained from disinterested bidders solicited under a bona fide solicitation and (b) at least one of the three bids is from a reasonably competitive bidder.
6. The Winning Bidder had no opportunity to review other bids submitted by other potential bidders before providing its bid.
7. The Solicitation included all material terms of the bid, and the terms of the Solicitation are commercially reasonable.
8. Other than a bidding agent fee of **\$4,000** paid to Causey Demgen & Moore P.C., the Winning Bidder is not paying, and does not expect to pay, any administrative costs to third parties, including any brokerage or selling commissions, legal and accounting fees, investment advisory fees, recordkeeping, safekeeping, custody and similar costs or expenses, in connection with supplying the Eligible Securities.

Dated: September 28, 2017

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

# **BIDS RECEIVED AND RESULTS**

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**MEMORANDUM**

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**TO:** MARK ROBERTS, SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY

**FROM:** JUSTIN GREASER, CAUSEY DEMGEN & MOORE P.C.

**SUBJECT:** SUMMARY OF OFFERS FOR THE PURCHASE OF SECURITIES - DEFEASANCE ESCROW

**DATE:** SEPTEMBER 20, 2017

**CC:** ALBERT REYES, NOSSAMAN LLP  
KATHERINE THURSBY, NOSSAMAN LLP  
ERIC SCRIVEN, NHA ADVISORS  
CRAIG HILL, NHA ADVISORS  
MIKE MEYER, NHA ADVISORS  
CHRISTIAN SPRUNGER, NHA ADVISORS  
TODD SMITH, HILLTOP SECURITIES, INC.  
ANDY KUO, HILLTOP SECURITIES, INC.  
LINDSAY EVANS, HILLTOP SECURITIES, INC.

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The table below contains the complete list of firms who were solicited to provide securities and the offers they submitted on September 20, 2017 for the sale of securities.

PROVIDER	NAME	BID AMOUNT	TIME RECEIVED
BB&T Securities LLC	Will Ferrell	\$45,710,375.74	11:59 a.m. EDT
Cantor Fitzgerald	Chris Cery	\$45,713,829.91	12:00 p.m. EDT
Incapital	Chris Patronis	\$45,711,658.76	12:00 p.m. EDT
PNC Capital Markets	Robert DiPasquale	\$45,708,123.43	11:59 a.m. EDT
Wells Fargo Securities	(1) Doug Safford	\$45,706,034.26	12:00 p.m. EDT
Piper Jaffray & Co.	Victor Ume-Ukeje		
	Lowest Bid	\$45,706,034.26	
	Net Income	\$2,399,728.24	
	SLG Cost	\$45,762,917.05	
	OMS/SLG Comparison	\$56,882.79	
	Approximate Yield	1.60%	

(1) Winning Bidder

## Justin M Greaser

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**From:** Ferrell, Will <wferrell@bbandtcm.com>  
**Sent:** Wednesday, September 20, 2017 9:59 AM  
**To:** Investment Bids  
**Subject:** BB&T

CDM 9/28/17 \$4K FEE

DRAWS \$48,105,762.50

COST \$45,710,375.74

Will Ferrell  
Senior Vice President  
BB&T Debt Capital Markets  
901 East Byrd Street  
Suite 300  
Richmond, Va 23219  
Phone - 804-649-3919  
Toll Free 800-834-8644  
Cell 804-874-6656  
Fax - 804-644-7682  
E- Mail [wferrell@bbandtcm.com](mailto:wferrell@bbandtcm.com)

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**EXHIBIT B**

**SUCCESSOR AGENCY TO THE  
COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY**  
Security Portfolio

**BID FORM**

September 20, 2017

**Fax: (303) 468-8233**

For the Defeasance Escrows evidenced as **Exhibit A** in the Request for Bids, which is hereby made a part of this bid, we hereby offer to provide Eligible Securities sufficient to fund the Defeasance Escrows, meeting the requirements on the respective dates as reflected in **Exhibit A**. The bidder acknowledges that if it is the Winning Bidder it must sign and deliver the certificate in the form attached to the Request for Bids as **Exhibit C** on or prior to the Settlement Date and dated the Settlement Date. The bidder hereby represents that it did not consult with any other potential bidder about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential bidder has with the Issuer or any other person and that the bid is not being submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the requirements that (a) at least three bids be obtained from disinterested bidders solicited under a bona fide solicitation, and (b) at least one of the three bids is from a reasonably competitive bidder. Terms used but not defined herein shall have the meaning provided in the Request for Bid to which this Bid Form is attached as **Exhibit B**.

**The Winning Bidder must detail the specific Eligible Securities with respect to each Defeasance Escrow to be delivered to the Escrow Agent on the Settlement Date.**

By submitting this bid, we certify that the security or securities provided will be Eligible Securities that—subject to verification—will be sufficient in amount to meet the cash flow requirements as indicated in **Exhibit A**.

**Name of Bidder:**

BB. ✓

**Contact:**

Will Ferrell

**Signature:**

Will Ferrell

**Cost of Funding:\***

45,710,375.74

Bids will be accepted by email at [investmentbids@causeycpas.com](mailto:investmentbids@causeycpas.com) by 12:00 p.m. Eastern Time and must be followed promptly by a faxed bid form. Please fax bid responses to Causey Demgen & Moore P.C. at (303) 468-8233.

\* Cost of Funding must include the cost of the Eligible Securities as well as any initial cash deposit to be made by the Issuer and the bidding agent fee.

## Justin M Greaser

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**From:** Cercy, Chris <CCercy@cantor.com>  
**Sent:** Wednesday, September 20, 2017 10:00 AM  
**To:** Investment Bids  
**Cc:** Fabrizio, Stephen; Wang, Alex  
**Subject:** Nation 1.x

45,713,829.91

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**EXHIBIT B**

**SUCCESSOR AGENCY TO THE  
COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY**  
Security Portfolio

**BID FORM**

September 20, 2017

**Fax: (303) 468-8233**

For the Defeasance Escrows evidenced as **Exhibit A** in the Request for Bids, which is hereby made a part of this bid, we hereby offer to provide Eligible Securities sufficient to fund the Defeasance Escrows, meeting the requirements on the respective dates as reflected in **Exhibit A**. The bidder acknowledges that if it is the Winning Bidder it must sign and deliver the certificate in the form attached to the Request for Bids as **Exhibit C** on or prior to the Settlement Date and dated the Settlement Date. The bidder hereby represents that it did not consult with any other potential bidder about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential bidder has with the Issuer or any other person and that the bid is not being submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the requirements that (a) at least three bids be obtained from disinterested bidders solicited under a bona fide solicitation, and (b) at least one of the three bids is from a reasonably competitive bidder. Terms used but not defined herein shall have the meaning provided in the Request for Bid to which this Bid Form is attached as **Exhibit B**.

**The Winning Bidder must detail the specific Eligible Securities with respect to each Defeasance Escrow to be delivered to the Escrow Agent on the Settlement Date.**

By submitting this bid, we certify that the security or securities provided will be Eligible Securities that—subject to verification—will be sufficient in amount to meet the cash flow requirements as indicated in **Exhibit A**.

<b>Name of Bidder:</b>	<u>Cantor Fitzgerald &amp; Co.</u>
<b>Contact:</b>	<u>Chris Cery</u>
<b>Signature:</b>	<u></u>
<b>Cost of Funding:*</b>	<u>45,713,829.91</u>

Bids will be accepted by email at [investmentbids@causeycpas.com](mailto:investmentbids@causeycpas.com) by 12:00 p.m. Eastern Time and must be followed promptly by a faxed bid form. Please fax bid responses to Causey Demgen & Moore P.C. at (303) 468-8233.

\* Cost of Funding must include the cost of the Eligible Securities as well as any initial cash deposit to be made by the Issuer and the bidding agent fee.

## Justin M Greaser

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**From:** Patronis, Chris <cpatronis@incapital.com>  
**Sent:** Wednesday, September 20, 2017 10:00 AM  
**To:** Justin M Greaser  
**Cc:** Investment Bids  
**Subject:** Noon: Request for Bids - Successor Agency to the Community Development Commission as the National City Redevelopment Agency DUE Weds, Sept 20 @ 12:00 p.m. (Noon) EDT

Here is the offer Justin thank you

<b>National City Redevelopment 2011</b>	<b>42,737,935.12</b>
<b>National City Redevelopment 1999</b>	<b>2,973,723.64</b>
	<b>45,711,658.76</b>

**Chris Patronis**  
Managing Director | Institutional Sales



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**Office/** +1.212.624.5831  
[chris.patronis@incapital.com](mailto:chris.patronis@incapital.com) | [incapital.com](http://incapital.com)

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**From:** Justin M Greaser [mailto:jgreaser@causeycpas.com]  
**Sent:** Tuesday, September 19, 2017 7:20 PM  
**To:** 'eric@nhaadvisors.com' <eric@nhaadvisors.com>; 'craig@nhaadvisors.com' <craig@nhaadvisors.com>; 'mike@nhaadvisors.com' <mike@nhaadvisors.com>; 'christian@nhaadvisors.com' <christian@nhaadvisors.com>;

**EXHIBIT B**

**SUCCESSOR AGENCY TO THE  
COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY**  
Security Portfolio

**BID FORM**

September 20, 2017

**Fax: (303) 468-8233**

For the Defeasance Escrows evidenced as **Exhibit A** in the Request for Bids, which is hereby made a part of this bid, we hereby offer to provide Eligible Securities sufficient to fund the Defeasance Escrows, meeting the requirements on the respective dates as reflected in **Exhibit A**. The bidder acknowledges that if it is the Winning Bidder it must sign and deliver the certificate in the form attached to the Request for Bids as **Exhibit C** on or prior to the Settlement Date and dated the Settlement Date. The bidder hereby represents that it did not consult with any other potential bidder about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential bidder has with the Issuer or any other person and that the bid is not being submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the requirements that (a) at least three bids be obtained from disinterested bidders solicited under a bona fide solicitation, and (b) at least one of the three bids is from a reasonably competitive bidder. Terms used but not defined herein shall have the meaning provided in the Request for Bid to which this Bid Form is attached as **Exhibit B**.

**The Winning Bidder must detail the specific Eligible Securities with respect to each Defeasance Escrow to be delivered to the Escrow Agent on the Settlement Date.**

By submitting this bid, we certify that the security or securities provided will be Eligible Securities that—subject to verification—will be sufficient in amount to meet the cash flow requirements as indicated in **Exhibit A**.

Name of Bidder:

SECURITY

Contact:

Charles Patterson

Signature:

[Signature]

Cost of Funding:\*

45,711,058.76

Bids will be accepted by email at [investmentbids@causeycpas.com](mailto:investmentbids@causeycpas.com) by 12:00 p.m. Eastern Time and must be followed promptly by a faxed bid form. Please fax bid responses to Causey Demgen & Moore P.C. at (303) 468-8233.

\* Cost of Funding must include the cost of the Eligible Securities as well as any initial cash deposit to be made by the Issuer and the bidding agent fee.

## Justin M Greaser

---

**From:** DiPasquale, Robert M <robert.dipasquale@pnc.com>  
**Sent:** Wednesday, September 20, 2017 9:59 AM  
**To:** Justin M Greaser; Investment Bids  
**Cc:** Adler, Richard K  
**Subject:** RE: EXTERNAL: Request for Bids - Successor Agency to the Community Development Commission as the National City Redevelopment Agency DUE Weds, Sept 20 @ 12:00 p.m. (Noon) EDT

Hi Justin – our level is \$45,708,123.43

Best regards,  
Robert M. DiPasquale  
412-762-8690 Office  
412-726-2626 Cell

**From:** Justin M Greaser [mailto:jgreaser@causeycpas.com]  
**Sent:** Tuesday, September 19, 2017 7:20 PM  
**To:** 'eric@nhaadvisors.com' <eric@nhaadvisors.com>; 'craig@nhaadvisors.com' <craig@nhaadvisors.com>; 'mike@nhaadvisors.com' <mike@nhaadvisors.com>; 'christian@nhaadvisors.com' <christian@nhaadvisors.com>; 'todd.smith@hilltopsecurities.com' <todd.smith@hilltopsecurities.com>; 'andy.kuo@hilltopsecurities.com' <andy.kuo@hilltopsecurities.com>; 'lindsay.evans@hilltopsecurities.com' <lindsay.evans@hilltopsecurities.com>; 'areyes@nossaman.com' <areyes@nossaman.com>; 'kthursby@nossaman.com' <kthursby@nossaman.com>; 'georgina.estrada@bnymellon.com' <georgina.estrada@bnymellon.com>; 'rhea.ricard@bnymellon.com' <rhea.ricard@bnymellon.com>; 'ilse.vlach@usbank.com' <ilse.vlach@usbank.com>; 'gloria.ramirez@bnymellon.com' <gloria.ramirez@bnymellon.com>  
**Cc:** Douglas E Carlile <dcarlile@causeycpas.com>; William D Glasso <Wglasso@causeycpas.com>; Stephen T. Warren <swarren@causeycpas.com>; Lisa G. Morris <lmorris@causeycpas.com>  
**Subject:** EXTERNAL: Request for Bids - Successor Agency to the Community Development Commission as the National City Redevelopment Agency DUE Weds, Sept 20 @ 12:00 p.m. (Noon) EDT

I have attached a copy of our Request for Bids form for the Successor Agency to the Community Development Commission as the National City Redevelopment Agency. The Agency will be accepting bids until 12:00 p.m. (Noon) eastern time on Wednesday, September 20<sup>th</sup>.

Please let me know if you have any questions.

Thank you and we look forward to receiving your bid.

Justin

Justin M. Greaser  
Causey Demgen & Moore P.C.  
1125 Seventeenth Street - Suite 1450  
Denver, Colorado 80202  
(303) 672-9887  
[jgreaser@causeycpas.com](mailto:jgreaser@causeycpas.com)

**EXHIBIT B**

**SUCCESSOR AGENCY TO THE  
COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY**  
Security Portfolio

**BID FORM**

September 20, 2017

**Fax: (303) 468-8233**

For the Defeasance Escrows evidenced as **Exhibit A** in the Request for Bids, which is hereby made a part of this bid, we hereby offer to provide Eligible Securities sufficient to fund the Defeasance Escrows, meeting the requirements on the respective dates as reflected in **Exhibit A**. The bidder acknowledges that if it is the Winning Bidder it must sign and deliver the certificate in the form attached to the Request for Bids as **Exhibit C** on or prior to the Settlement Date and dated the Settlement Date. The bidder hereby represents that it did not consult with any other potential bidder about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential bidder has with the Issuer or any other person and that the bid is not being submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the requirements that (a) at least three bids be obtained from disinterested bidders solicited under a bona fide solicitation, and (b) at least one of the three bids is from a reasonably competitive bidder. Terms used but not defined herein shall have the meaning provided in the Request for Bid to which this Bid Form is attached as **Exhibit B**.

**The Winning Bidder must detail the specific Eligible Securities with respect to each Defeasance Escrow to be delivered to the Escrow Agent on the Settlement Date.**

By submitting this bid, we certify that the security or securities provided will be Eligible Securities that—subject to verification—will be sufficient in amount to meet the cash flow requirements as indicated in **Exhibit A**.

Name of Bidder:

PNC CAPITAL LLC

Contact:

R. J. [Signature]

Signature:

[Signature]

Cost of Funding:\*

45708123.43

Bids will be accepted by email at [investmentbids@causeycpas.com](mailto:investmentbids@causeycpas.com) by 12:00 p.m. Eastern Time and must be followed promptly by a faxed bid form. Please fax bid responses to Causey Demgen & Moore P.C. at (303) 468-8233.

\* Cost of Funding must include the cost of the Eligible Securities as well as any initial cash deposit to be made by the Issuer and the bidding agent fee.

## Justin M Greaser

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**From:** safford@wellsfargo.com  
**Sent:** Wednesday, September 20, 2017 10:00 AM  
**To:** Investment Bids  
**Cc:** Joseph.P.Celentano@wellsfargo.com; eddie.david@wellsfargo.com;  
Brian.Warden@wellsfargo.com  
**Subject:** equest for Bids - Successor Agency to the Community Development Commission as the National City Redevelopment Agency DUE Weds, Sept 20 @ 12:00 p.m. (Noon) EDT

45,706,034.26

Settlement Date: 9/28/17

Total Draws: \$48,105,762.50

Bidders Fee: \$4,000

Firm Time: 10 Minutes

### **RFP/RFQ Required Disclosure Statement**

This proposal is submitted in response to your Request for [Proposals/Qualifications/Bids] dated 9/20/17 . The contents of this proposal and any subsequent discussions between us, including any and all information, recommendations, opinions, indicative pricing, quotations and analysis with respect to any municipal financial product or issuance of municipal securities, are provided to you in reliance upon the exemption provided for responses to requests for proposals or qualifications under the municipal advisor rules (the "Muni Advisor Rules") of the Securities and Exchange Commission (the "SEC")(the "Municipal Advisor Rule").<sup>(b) 240 CFR 15Ba1-1 et seq..<sup>1</sup></sup>

The Staff of the SEC's Office of Municipal Securities has issued guidance which provides that, in order for a request for proposals to be consistent with this exemption, it must (a) identify a particular objective, (b) be open for not more than a reasonable period of time (up to six months being generally considered as reasonable), and (c) involve a competitive process by (such as by being provided to at least three reasonably competitive service providers or by being publicly posted to your official website). In submitting this proposal, we have relied upon your compliance with this guidance.

In submitting this proposal (a) Wells Fargo Securities is not acting as your Municipal Advisor, providing you with municipal advisory services and does not owe a fiduciary duty to you pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to the information and material contained in this proposal in the event you are a municipal entity; (b) Wells Fargo Securities is acting for its own interests; and (c) you should discuss any information and material contained in this proposal with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

*Doug Safford, CFA*  
*Director*  
*Fixed Income Sales and Trading*  
*Wells Fargo Securities, LLC*  
*100 West Washington, MAC S4101-17L*

**EXHIBIT B**

**SUCCESSOR AGENCY TO THE  
COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY**  
Security Portfolio

**BID FORM**

September 20, 2017

**Fax: (303) 468-8233**

For the Defeasance Escrows evidenced as **Exhibit A** in the Request for Bids, which is hereby made a part of this bid, we hereby offer to provide Eligible Securities sufficient to fund the Defeasance Escrows, meeting the requirements on the respective dates as reflected in **Exhibit A**. The bidder acknowledges that if it is the Winning Bidder it must sign and deliver the certificate in the form attached to the Request for Bids as **Exhibit C** on or prior to the Settlement Date and dated the Settlement Date. The bidder hereby represents that it did not consult with any other potential bidder about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential bidder has with the Issuer or any other person and that the bid is not being submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the requirements that (a) at least three bids be obtained from disinterested bidders solicited under a bona fide solicitation, and (b) at least one of the three bids is from a reasonably competitive bidder. Terms used but not defined herein shall have the meaning provided in the Request for Bid to which this Bid Form is attached as **Exhibit B**.

**The Winning Bidder must detail the specific Eligible Securities with respect to each Defeasance Escrow to be delivered to the Escrow Agent on the Settlement Date.**

By submitting this bid, we certify that the security or securities provided will be Eligible Securities that—subject to verification—will be sufficient in amount to meet the cash flow requirements as indicated in **Exhibit A**.

<b>Name of Bidder:</b>	<u>Wells Fargo Securities, LLC</u>
<b>Contact:</b>	<u>Doug Safford</u>
<b>Signature:</b>	<u><i>Edward David</i> Edward David</u>
<b>Cost of Funding:*</b>	<u>\$45,706,034.26</u>

Bids will be accepted by email at [investmentbids@causeycpas.com](mailto:investmentbids@causeycpas.com) by 12:00 p.m. Eastern Time and must be followed promptly by a faxed bid form. Please fax bid responses to Causey Demgen & Moore P.C. at (303) 468-8233.

\* Cost of Funding must include the cost of the Eligible Securities as well as any initial cash deposit to be made by the Issuer and the bidding agent fee.

# **WINNING BIDDER CERTIFICATE**

**EXHIBIT C**  
**SUCCESSOR AGENCY TO THE**  
**COMMUNITY DEVELOPMENT COMMISSION**  
**AS THE NATIONAL CITY REDEVELOPMENT AGENCY**  
Security Portfolio  
**CERTIFICATE OF THE WINNING BIDDER**

The undersigned hereby states and certifies to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the "Issuer") as follows:

1. The undersigned is a Director of Wells Fargo Securities, LLC (the "Winning Bidder"), and is authorized to execute and deliver this certificate on behalf of the Winning Bidder and is knowledgeable with respect to the matters set forth herein.
2. The Winning Bidder is a reasonably competitive provider of securities of the type comprising the Eligible Securities, and the Winning Bidder (including any related party) has no material financial interest (within the meaning of Treasury Regulations Section 1.148-5(d)(6)(iii)(B)(1)) in the Issuer's (1) 2017A Tax Allocation Refunding Bonds and the (2) 2017B Tax Allocation Refunding Bonds (AMT) (collectively, the "Bonds") other than as a bidder to provide Eligible Securities to satisfy the cash flow requirements set forth as **Exhibit A** to the Solicitation (defined in 4 below).
3. The Winning Bidder is, on the date hereof, delivering securities to The Bank of New York Mellon Trust Company, N.A. and U.S. Bank National Association, as escrow agents to the Issuer, against payment for such securities.
4. The Winning Bidder received a solicitation for bids (the "Solicitation") with respect to the cash flow requirements and submitted its bid to provide Eligible Securities for the cash flow requirements in compliance with the terms of such solicitation.
5. The Winning Bidder represents that the bid was: (1) determined without consultation with any other bidder, (2) determined without regard to any other formal or informal agreement with the Issuer or any other person (whether or not in connection with the issuance of the Bonds described herein), and (3) not submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the requirement that (a) at least three bids be obtained from disinterested bidders solicited under a bona fide solicitation and (b) at least one of the three bids is from a reasonably competitive bidder.
6. The Winning Bidder had no opportunity to review other bids submitted by other potential bidders before providing its bid.
7. The Solicitation included all material terms of the bid, and the terms of the Solicitation are commercially reasonable.
8. Other than a bidding agent fee of **\$4,000** paid to Causey Demgen & Moore P.C., the Winning Bidder is not paying, and does not expect to pay, any administrative costs to third parties, including any brokerage or selling commissions, legal and accounting fees, investment advisory fees, recordkeeping, safekeeping, custody and similar costs or expenses, in connection with supplying the Eligible Securities.

Dated: September 28, 2017

By: Edward David

Name: Edward David

Title: Director

# **WINNING PORTFOLIO**

DATE	PRINCIPAL	INTEREST	REQUIREMENT	Sufficiency	CUSIP	Security Des	Coupon	Maturity	Par Amount	Price	Principal	Accrued Int	Total Money
09/28/2017	337.50	-	-	337.50	912820AB0	SPX 0 01/31/18	0.000%	01/31/2018	2,984,000	99.613224500	2,972,610.83	-	2,972,610.83
01/31/2018	2,984,000.00	-	-	2,984,337.50									
02/01/2018	-	-	-	-									

Delivery Date 09/28/2017  
 Issuer National City RDA  
 maturity 02/01/2018  
 Name 49ers(Port 1)

Requirements 2,984,337.50  
 Securities Cost 2,972,610.83  
 Cash 337.50  
 Total Cost 2,972,948.33

Combined Final \$ 45,796,034.26  
 2,984,337.50 Requirements  
 2,972,610.83 Securities  
 0.00 accrued  
 2,972,610.83 total  
 2,972,948.33 total w cash

Delivery Date 09/28/2017  
 Issuer National City RDA  
 Maturity 08/01/2021  
 Name bears (Port 2)

Requirements 45,121,425.00  
 Securities Cost 42,732,427.24  
 Cash 658.69  
 Total Cost 42,733,085.93

DATE	PRINCIPAL	INTEREST	REQUIREMENT	Sufficiency	CUSIP	Security Des	Coupon	Maturity	Par Amount	Price	Principal	Accrued Int	Total Money
09/28/2017	658.69	-	-	-	912796L16	E 02/07/18	0.000%	02/01/2018	770,000	99.6388900000	767,219.45	4,596.35	767,219.45
01/31/2018	-	427,616.89	-	428,275.58	912828V00	T 1 3/8 07/31/18	1.375%	07/31/2018	2,085,000	100.0841200000	2,086,753.50	1,808.48	2,091,350.25
02/01/2018	770,000.00	-	1,197,850.00	425.58	912828B33	T 1 1/2 01/31/19	1.500%	01/31/2019	752,000	100.2102100000	753,580.78	4,856.48	758,389.26
07/31/2018	2,085,000.00	427,616.89	-	2,513,042.47	912828K65	T 1 3/8 07/31/19	1.375%	07/31/2019	2,203,000	99.9663800000	2,202,259.55	1,470.99	2,207,115.83
08/01/2018	-	-	2,512,850.00	192.47	912828H52	T 1 1/4 01/31/20	1.250%	01/31/2020	734,000	99.8432200000	730,647.23	5,885.37	732,118.22
01/31/2019	752,000.00	413,282.51	-	1,165,474.98	912828M87	T 1 5/8 07/31/20	1.625%	07/31/2020	2,259,000	100.3011900000	2,265,803.88	1,574.00	2,271,659.25
02/01/2019	-	-	1,164,975.00	499.98	912828W92	T 1 3/8 01/31/21	1.375%	01/31/2021	714,000	99.2217600000	708,443.37	1,574.00	710,017.37
07/31/2019	2,203,000.00	407,642.51	-	2,611,142.49		T 2 1/4 07/31/21	2.250%	07/31/2021	32,413,000	102.058766700	33,080,603.00	116,924.61	33,197,527.61
08/01/2019	-	-	2,609,975.00	1,167.49									
01/31/2020	734,000.00	392,496.88	-	1,127,664.37									
02/01/2020	-	-	1,127,043.75	620.62									
07/31/2020	2,259,000.00	387,909.38	-	2,647,530.00									
08/01/2020	-	-	2,647,043.75	488.25									
01/31/2021	714,000.00	369,555.00	-	1,084,041.25									
02/01/2021	-	-	1,083,343.75	697.50									
07/31/2021	32,413,000.00	364,646.25	-	32,778,343.75									
08/01/2021	-	-	32,778,343.75	-									

45,121,425.00	Requirements
42,595,310.96	Securities
137,116.28	accrued
42,732,427.24	total
42,733,085.93	total w/ cash

# **SLG PORTFOLIO**

SUCCESSOR AGENCY TO THE CDC AS THE NATIO:  
FLOW

20-Sep-17  
09:32 AM

**EXHIBIT A**

**SUCCESSOR AGENCY TO THE CDC AS THE NATIONAL CITY RDA  
2017 TAX ALLOCATION REFUNDING BONDS  
AND 2017 TAX ALOCAITON REFUNDING BONDS (AMT)**

**1999 ESCROW ACCOUNT CASH FLOW  
AS OF SEPTEMBER 28, 2017**

<b>Date</b>	<b>Cash Receipt From the 2009 Security (Exhibit A-1)</b>	<b>Cash Disbursement From Escrow (Exhibit B)</b>	<b>Cash Balance</b>	<b>Check of Receipts on Payment Dates</b>
Beginning Balance:			\$0.56	
01-Feb-18	\$2,984,336.94	\$2,984,337.50	0.00	ok
	<u>\$2,984,336.94</u>	<u>\$2,984,337.50</u>		

SUCCESSOR AGENCY TO THE C		2,973,252.00
CASH RECEIPTS--[SLGS]		20-Sep-17
SLG RCPTS	28-Sep-17	09:32 AM
	126	
	365	

<u>One Year Later</u>
28-Sep-18

**EXHIBIT A-1**

**SUCCESSOR AGENCY TO THE CDC AS THE NATIONAL CITY RDA  
2017 TAX ALLOCATION REFUNDING BONDS  
AND 2017 TAX ALOCAITON REFUNDING BONDS (AMT)**

**CASH RECEIPT FROM THE 1999 SECURITY  
AS OF SEPTEMBER 28, 2017**

	<b>\$2,973,252.00</b>	
	<b>1.080000%</b>	<b>Total</b>
<b>Payment</b>	<b>SLGS (1)</b>	<b>Cash</b>
<b>Date</b>	<b>01-Feb-18</b>	<b>Receipt</b>
01-Feb-18	\$2,984,336.94	\$2,984,336.94
	<u>\$2,984,336.94</u>	<u>\$2,984,336.94</u>

(1) U.S. Treasury Certificate of Indebtedness (State and Local Government Series).

**EXHIBIT A-2**

**SUCCESSOR AGENCY TO THE CDC AS THE NATIONAL CITY RDA  
2017 TAX ALLOCATION REFUNDING BONDS  
AND 2017 TAX ALOCAITON REFUNDING BONDS (AMT)**

**DESCRIPTION OF THE 1999 SECURITY  
AS OF SEPTEMBER 28, 2017**

Type	Settlement Date	Maturity Date	Par Amount	Coupon Rate	Price	Total Cost
SLGS	28-Sep-17	01-Feb-18	\$2,973,252.00	1.080%	100.000000%	\$2,973,252.00
			<u>\$2,973,252.00</u>			<u>\$2,973,252.00</u>
				<b>Total Cost to Fund Escrow</b>		<u><u>2,973,252.56</u></u>

**EXHIBIT A**

**SUCCESSOR AGENCY TO THE CDC AS THE NATIONAL CITY RDA  
 2017 TAX ALLOCATION REFUNDING BONDS  
 AND 2017 TAX ALLOCATION REFUNDING BONDS (AMT)**

**ESCROW ACCOUNT CASH FLOW  
 AS OF SEPTEMBER 28, 2017**

<b>Date</b>	<b>Cash Receipts From the 2005B/2011 Securities (Exhibit A-1)</b>	<b>Cash Disbursements From Escrow (Exhibit B)</b>	<b>Cash Balance</b>	<b>Check of Receipts on Payment Dates</b>
Beginning				
Balance:			\$0.49	
01-Feb-18	1,197,849.66	1,197,850.00	0.15	ok
01-Aug-18	2,512,850.32	2,512,850.00	0.47	ok
01-Feb-19	1,164,974.73	1,164,975.00	0.20	ok
01-Aug-19	2,609,974.82	2,609,975.00	0.02	ok
01-Feb-20	1,127,044.08	1,127,043.75	0.35	ok
01-Aug-20	2,647,043.59	2,647,043.75	0.19	ok
01-Feb-21	1,083,343.70	1,083,343.75	0.14	ok
01-Aug-21	32,778,343.61	32,778,343.75	0.00	ok
	<u>\$45,121,424.51</u>	<u>\$45,121,425.00</u>		

One Year Later  
28-Sep-18

42,789,664.00  
20-Sep-17  
09:32 AM

SUCCESSOR AGENCY TO THE CDC AS THE NATIONAL CITY RDA  
CASH RECEIPTS--[SLGS]  
SLG RCPTS (2)

126	307	126	126	126	126	126	126	126	126
365	365	184	184	184	184	184	184	184	184

EXHIBIT A-1

SUCCESSOR AGENCY TO THE CDC AS THE NATIONAL CITY RDA  
2017 TAX ALLOCATION REFUNDING BONDS  
AND 2017 TAX ALLOCATION REFUNDING BONDS (AMT)

CASH RECEIPTS FROM THE 2005B/2011 SECURITIES  
AS OF SEPTEMBER 28, 2017

Payment Date	SLGS (1)	SLGS (2)	SLGS (2)	SLGS (2)	SLGS (2)	SLGS (2)	SLGS (2)	SLGS (2)	SLGS (2)	SLGS (2)	SLGS (2)	Total Cash Receipts
01-Feb-18	\$975,402.00	\$2,170,316.00	\$845,441.00	\$2,296,021.00	\$828,818.00	\$2,354,785.00	\$808,746.00	\$32,510,135.00				1,197,849.66
01-Aug-18	1,080,000%	1,260,000%	1,320,000%	1,370,000%	1,440,000%	1,500,000%	1,580,000%	1,650,000%				2,512,850.32
01-Feb-19			851,020.91	15,727.74	5,967.49	17,660.89	6,389.09	268,208.61				1,164,974.73
01-Aug-19				15,727.74	5,967.49	17,660.89	6,389.09	268,208.61				2,609,974.82
01-Feb-20				2,311,748.74	834,785.49	17,660.89	6,389.09	268,208.61				1,127,044.08
01-Aug-20						2,372,445.89	6,389.09	268,208.61				2,647,043.59
01-Feb-21							815,135.09	268,208.61				1,083,343.70
01-Aug-21								32,778,343.61				32,778,343.61
	\$979,038.51	\$2,193,316.59	\$860,421.85	\$2,353,974.31	\$856,774.39	\$2,455,183.32	\$851,455.68	\$34,571,259.86				\$45,121,424.51

(1) U.S. Treasury Certificate of Indebtedness (State and Local Government Series).  
(2) U.S. Treasury Note or Bond (State and Local Government Series).

## EXHIBIT A-2

**SUCCESSOR AGENCY TO THE CDC AS THE NATIONAL CITY RDA  
2017 TAX ALLOCATION REFUNDING BONDS  
AND 2017 TAX ALOCAITON REFUNDING BONDS (AMT)**

**DESCRIPTION OF THE 2005B/2011 SECURITIES  
AS OF SEPTEMBER 28, 2017**

<b>Type</b>	<b>Settlement Date</b>	<b>Maturity Date</b>	<b>Par Amount</b>	<b>Coupon Rate</b>	<b>Price</b>	<b>Total Cost</b>
SLGS	28-Sep-17	01-Feb-18	975,402.00	1.080%	100.000000%	975,402.00
SLGS	28-Sep-17	01-Aug-18	2,170,316.00	1.260%	100.000000%	2,170,316.00
SLGS	28-Sep-17	01-Feb-19	845,441.00	1.320%	100.000000%	845,441.00
SLGS	28-Sep-17	01-Aug-19	2,296,021.00	1.370%	100.000000%	2,296,021.00
SLGS	28-Sep-17	01-Feb-20	828,818.00	1.440%	100.000000%	828,818.00
SLGS	28-Sep-17	01-Aug-20	2,354,785.00	1.500%	100.000000%	2,354,785.00
SLGS	28-Sep-17	01-Feb-21	808,746.00	1.580%	100.000000%	808,746.00
SLGS	28-Sep-17	01-Aug-21	32,510,135.00	1.650%	100.000000%	32,510,135.00
			<u>\$42,789,664.00</u>			<u>\$42,789,664.00</u>
					<b>Total Cost to Fund Escrow</b>	<u>42,789,664.49</u>

## Justin M Greaser

---

**From:** Andy Kuo (HTS) <Andy.Kuo@hilltopsecurities.com>  
**Sent:** Wednesday, September 20, 2017 8:12 AM  
**To:** Justin M Greaser; 'eric@nhaadvisors.com'; 'craig@nhaadvisors.com'; 'mike@nhaadvisors.com'; 'christian@nhaadvisors.com'; Todd Smith (HTS); 'areyes@nossaman.com'; 'kthursby@nossaman.com'; 'georgina.estrada@bnymellon.com'; 'rhea.ricard@bnymellon.com'; 'ilse.vlach@usbank.com'; 'gloria.ramirez@bnymellon.com'  
**Cc:** Douglas E Carlile; William D Glasso; Stephen T. Warren; Lisa G. Morris  
**Subject:** RE: Request for Bids - Successor Agency to the Community Development Commission as the National City Redevelopment Agency DUE Weds, Sept 20 @ 12:00 p.m. (Noon) EDT

Justin,

I compute the following SLGS escrow costs today for 2011 and 1999

2011: \$42,789,664.49

1999: \$2,973,252.56

### Andy Kuo

Director

Hilltop Securities Inc.

1201 Elm Street, Suite 3500, Dallas, TX 75270

Direct: 214.859.9457 | Toll Free: 800.859.0000 | Fax: 214.859.9475

[Andy.Kuo@hilltopsecurities.com](mailto:Andy.Kuo@hilltopsecurities.com)

**From:** Justin M Greaser [mailto:jgreaser@causeycpas.com]  
**Sent:** Tuesday, September 19, 2017 6:20 PM  
**To:** 'eric@nhaadvisors.com' <eric@nhaadvisors.com>; 'craig@nhaadvisors.com' <craig@nhaadvisors.com>; 'mike@nhaadvisors.com' <mike@nhaadvisors.com>; 'christian@nhaadvisors.com' <christian@nhaadvisors.com>; Todd Smith (HTS) <Todd.Smith@hilltopsecurities.com>; Andy Kuo (HTS) <Andy.Kuo@hilltopsecurities.com>; Lindsay Evans (HTS) <Lindsay.Evans@hilltopsecurities.com>; 'areyes@nossaman.com' <areyes@nossaman.com>; 'kthursby@nossaman.com' <kthursby@nossaman.com>; 'georgina.estrada@bnymellon.com' <georgina.estrada@bnymellon.com>; 'rhea.ricard@bnymellon.com' <rhea.ricard@bnymellon.com>; 'ilse.vlach@usbank.com' <ilse.vlach@usbank.com>; 'gloria.ramirez@bnymellon.com' <gloria.ramirez@bnymellon.com>  
**Cc:** Douglas E Carlile <dcarlile@causeycpas.com>; William D Glasso <Wglasso@causeycpas.com>; Stephen T. Warren <swarren@causeycpas.com>; Lisa G. Morris <lmorris@causeycpas.com>  
**Subject:** Request for Bids - Successor Agency to the Community Development Commission as the National City Redevelopment Agency DUE Weds, Sept 20 @ 12:00 p.m. (Noon) EDT

\*\*\* EXTERNAL SENDER \*\*\*

I have attached a copy of our Request for Bids form for the Successor Agency to the Community Development Commission as the National City Redevelopment Agency. The Agency will be accepting bids until 12:00 p.m. (Noon) eastern time on Wednesday, September 20<sup>th</sup>.

SUCCESSOR AGENCY TO THE CDC AS THE NATIONAL CITY RDA  
FLOW

20-Sep-17  
09:22 AM

**EXHIBIT A**

**SUCCESSOR AGENCY TO THE CDC AS THE NATIONAL CITY RDA  
2017 TAX ALLOCATION REFUNDING BONDS  
AND 2017 TAX ALLOCATION REFUNDING BONDS (AMT)**

**1999 ESCROW ACCOUNT CASH FLOW  
AS OF SEPTEMBER 28, 2017**

<u>Date</u>	<u>Cash Receipt From the 2009 Security (Exhibit A-1)</u>	<u>Cash Disbursement From Escrow (Exhibit B)</u>	<u>Cash Balance</u>	<u>Check of Receipts on Payment Dates</u>
Beginning Balance:			\$0.56	
01-Feb-18	\$2,984,336.94	\$2,984,337.50	0.00	ok
	<u>\$2,984,336.94</u>	<u>\$2,984,337.50</u>		

7

SUCCESSOR AGENCY TO THE C 2,973,252.00  
 CASH RECEIPTS--[SLGS] 20-Sep-17  
 SLG RCPTS 28-Sep-17 09:22 AM  
 126  
 365

One Year Later  
 28-Sep-18

**EXHIBIT A-1**

**SUCCESSOR AGENCY TO THE CDC AS THE NATIONAL CITY RDA  
 2017 TAX ALLOCATION REFUNDING BONDS  
 AND 2017 TAX ALOCAITON REFUNDING BONDS (AMT)**

**CASH RECEIPT FROM THE 1999 SECURITY  
 AS OF SEPTEMBER 28, 2017**

	\$2,973,252.00	
	1.080000%	Total
Payment	SLGS (1)	Cash
Date	01-Feb-18	Receipt
01-Feb-18	\$2,984,336.94	\$2,984,336.94
	<u>\$2,984,336.94</u>	<u>\$2,984,336.94</u>

(1) U.S. Treasury Certificate of Indebtedness (State and Local Government Series).

J

EXHIBIT A-2

SUCCESSOR AGENCY TO THE CDC AS THE NATIONAL CITY RDA  
2017 TAX ALLOCATION REFUNDING BONDS  
AND 2017 TAX ALOCAITON REFUNDING BONDS (AMT)

DESCRIPTION OF THE 1999 SECURITY  
AS OF SEPTEMBER 28, 2017

Type	Settlement Date	Maturity Date	Par Amount	Coupon Rate	Price	Total Cost
SLGS	28-Sep-17	01-Feb-18	\$2,973,252.00	1.080%	100.000000%	\$2,973,252.00
			<u>\$2,973,252.00</u>			<u>\$2,973,252.00</u>
				<b>Total Cost to Fund Escrow</b>		<u>2,973,252.56</u>



**EXHIBIT A**

**SUCCESSOR AGENCY TO THE CDC AS THE NATIONAL CITY RDA  
2017 TAX ALLOCATION REFUNDING BONDS  
AND 2017 TAX ALOCAITON REFUNDING BONDS (AMT)**

**ESCROW ACCOUNT CASH FLOW  
AS OF SEPTEMBER 28, 2017**

<b>Date</b>	<b>Cash Receipts From the 2005B/2011 Securities (Exhibit A-1)</b>	<b>Cash Disbursements From Escrow (Exhibit B)</b>	<b>Cash Balance</b>	<b>Check of Receipts on Payment Dates</b>
Beginning Balance:			\$0.49	
01-Feb-18	1,197,849.66	1,197,850.00	0.15	ok
01-Aug-18	2,512,850.32	2,512,850.00	0.47	ok
01-Feb-19	1,164,974.73	1,164,975.00	0.20	ok
01-Aug-19	2,609,974.82	2,609,975.00	0.02	ok
01-Feb-20	1,127,044.08	1,127,043.75	0.35	ok
01-Aug-20	2,647,043.59	2,647,043.75	0.19	ok
01-Feb-21	1,083,343.70	1,083,343.75	0.14	ok
01-Aug-21	32,778,343.61	32,778,343.75	0.00	ok
	<u>\$45,121,424.51</u>	<u>\$45,121,425.00</u>		



SUCCESSOR AGENCY TO THE CDC AS THE NATIONAL CITY RDA  
 CASH RECEIPTS-[SLGS]  
 SLG RCPTS (2)

126	307	126	126	126	126	126	126	126
365	365	184	184	184	184	184	184	184

42,789,664.00  
 20-Sep-17  
 09:26 AM

One Year Later  
 28-Sep-18

EXHIBIT A-1

SUCCESSOR AGENCY TO THE CDC AS THE NATIONAL CITY RDA  
 2017 TAX ALLOCATION REFUNDING BONDS  
 AND 2017 TAX ALLOCATION REFUNDING BONDS (AMT)

CASH RECEIPTS FROM THE 2005B/2011 SECURITIES  
 AS OF SEPTEMBER 28, 2017

Payment Date	1.080000% SLGS (1) 01-Feb-18	1.260000% SLGS (2) 01-Aug-18	1.320000% SLGS (2) 01-Feb-19	1.370000% SLGS (2) 01-Aug-19	1.440000% SLGS (2) 01-Feb-20	1.500000% SLGS (2) 01-Aug-20	1.580000% SLGS (2) 01-Feb-21	1.650000% SLGS (2) 01-Aug-21	Total Cash Receipts
01-Feb-18	\$979,038.51		\$3,821.03	\$10,770.09	\$4,086.43	\$12,093.87	\$4,375.14	\$183,664.59	1,197,849.66
01-Aug-18		\$2,193,316.59	5,579.91	15,727.74	5,967.49	17,660.89	6,389.09	268,208.61	2,512,850.32
01-Feb-19			851,020.91	15,727.74	5,967.49	17,660.89	6,389.09	268,208.61	1,164,974.73
01-Aug-19				2,311,748.74	5,967.49	17,660.89	6,389.09	268,208.61	2,609,974.82
01-Feb-20					834,785.49	17,660.89	6,389.09	268,208.61	1,127,044.08
01-Aug-20						2,372,445.89	6,389.09	268,208.61	2,647,043.59
01-Feb-21							815,135.09	268,208.61	1,083,343.70
01-Aug-21								32,778,343.61	32,778,343.61
	<u>\$979,038.51</u>	<u>\$2,193,316.59</u>	<u>\$860,421.85</u>	<u>\$2,353,974.31</u>	<u>\$856,774.39</u>	<u>\$2,455,183.32</u>	<u>\$851,455.68</u>	<u>\$34,571,259.86</u>	<u>\$45,121,424.51</u>

- (1) U.S. Treasury Certificate of Indebtedness (State and Local Government Series).
- (2) U.S. Treasury Note or Bond (State and Local Government Series).

EXHIBIT A-2

SUCCESSOR AGENCY TO THE CDC AS THE NATIONAL CITY RDA  
2017 TAX ALLOCATION REFUNDING BONDS  
AND 2017 TAX ALOCAITON REFUNDING BONDS (AMT)

DESCRIPTION OF THE 2005B/2011 SECURITIES  
AS OF SEPTEMBER 28, 2017

Type	Settlement Date	Maturity Date	Par Amount	Coupon Rate	Price	Total Cost
SLGS	28-Sep-17	01-Feb-18	975,402.00	1.080%	100.000000%	975,402.00
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SLGS	28-Sep-17	01-Aug-19	2,296,021.00	1.370%	100.000000%	2,296,021.00
SLGS	28-Sep-17	01-Feb-20	828,818.00	1.440%	100.000000%	828,818.00
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SLGS	28-Sep-17	01-Feb-21	808,746.00	1.580%	100.000000%	808,746.00
SLGS	28-Sep-17	01-Aug-21	32,510,135.00	1.650%	100.000000%	32,510,135.00
			<u>\$42,789,664.00</u>			<u>\$42,789,664.00</u>
					<b>Total Cost to Fund Escrow</b>	<u>42,789,664.49</u>

TreasuryDirect.



CSV FORMAT XML FORMAT TXT FORMAT

Important message:

Please use the buttons and links we've provided on each page. Using your browser to navigate (including the back, forward, and refresh buttons) may produce inconsistent results.

SLGS Daily Rate Table

SLGS TABLE FOR USE ON September 20, 2017

Demand Deposit Rate

Annualized Effective Rate	Daily Factor
0.80%	0.000021831

Time Deposit Rate

From (Year-Month)	Through (Year-Month)	Rate
	00-01	ONLY 0.97%
	00-02	ONLY 1.00%
	00-03	ONLY 1.04%
2/1	00-04	ONLY 1.08%
	00-05	ONLY 1.13%
	00-06	ONLY 1.17%
	00-07	ONLY 1.20%
	00-08	ONLY 1.22%
	00-09	ONLY 1.24%
	00-10	ONLY 1.26%
	00-11	ONLY 1.27%
	01-00	ONLY 1.28%
	01-01	ONLY 1.29%
	01-02	ONLY 1.30%
	01-03	ONLY 1.31%
	01-04	ONLY 1.32%
	01-05	ONLY 1.33%
	01-06	ONLY 1.34%
	01-07	ONLY 1.34%
	01-08	ONLY 1.35%
	01-09	ONLY 1.36%
	01-10	ONLY 1.37%
	01-11	ONLY 1.38%
	02-00	ONLY 1.39%
	02-01	ONLY 1.40%
	02-02	ONLY 1.42%
	02-03	ONLY 1.43%
	02-04	ONLY 1.44%
	02-05	ONLY 1.45%
	02-06	ONLY 1.46%
	02-07	ONLY 1.47%
	02-08	ONLY 1.48%
	02-09	ONLY 1.49%
	02-10	ONLY 1.50%
	02-11	ONLY 1.52%
	03-00	ONLY 1.53%
	03-01	ONLY 1.54%
	03-02	ONLY 1.55%
	03-03	ONLY 1.56%
	03-04	ONLY 1.58%
	03-05	ONLY 1.59%
	03-06	ONLY 1.60%

9/29/17

From (Year-Month)	Through (Year-Month)	Rate
	03-07	ONLY 1.61%
	03-08	ONLY 1.62%
	03-09	ONLY 1.64%
	03-10	ONLY 1.65%
	03-11	ONLY 1.66%
	04-00	ONLY 1.67%
	04-01	ONLY 1.69%
	04-02	ONLY 1.70%
	04-03	ONLY 1.71%
	04-04	ONLY 1.72%
	04-05	ONLY 1.74%
	04-06	ONLY 1.75%
	04-07	ONLY 1.76%
	04-08	ONLY 1.77%
	04-09	ONLY 1.79%
	04-10	ONLY 1.80%
	04-11	ONLY 1.81%
	05-00	ONLY 1.82%
	05-01	ONLY 1.83%
	05-02	ONLY 1.84%
	05-03	ONLY 1.86%
	05-04	ONLY 1.87%
	05-05	ONLY 1.88%
	05-06	ONLY 1.89%
	05-07	ONLY 1.90%
	05-08	ONLY 1.91%
	05-09	ONLY 1.92%
	05-10	ONLY 1.93%
	05-11	ONLY 1.94%
	06-00	ONLY 1.95%
	06-01	ONLY 1.96%
	06-02	ONLY 1.97%
	06-03	ONLY 1.98%
	06-04	ONLY 1.99%
	06-05	ONLY 2.00%
	06-06	ONLY 2.01%
	06-07	ONLY 2.01%
	06-08	ONLY 2.02%
	06-09	ONLY 2.03%
	06-10	ONLY 2.04%
	06-11	ONLY 2.05%
	07-00	ONLY 2.05%
	07-01	ONLY 2.06%
	07-02	ONLY 2.07%
	07-03	ONLY 2.08%
	07-04	ONLY 2.08%
	07-05	ONLY 2.09%
	07-06	ONLY 2.10%
	07-07	ONLY 2.10%
	07-08	ONLY 2.11%
	07-09	ONLY 2.11%
	07-10	ONLY 2.12%
	07-11	ONLY 2.13%
	08-00	ONLY 2.13%
	08-01	ONLY 2.14%
	08-02	ONLY 2.14%
	08-03	ONLY 2.15%
	08-04	ONLY 2.15%
	08-05	ONLY 2.16%
	08-06	ONLY 2.16%
	08-07	ONLY 2.17%
	08-08	ONLY 2.17%
	08-09	ONLY 2.18%
	08-10	ONLY 2.18%
	08-11	ONLY 2.18%

TreasuryDirect.



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**Time Deposit Rate**

From (Year-Month)	Through (Year-Month)	Rate
00-01	ONLY	0.97%
00-02	ONLY	1.00%
00-03	ONLY	1.04%
2/1 00-04	ONLY	1.08%
00-05	ONLY	1.13%
00-06	ONLY	1.17%
00-07	ONLY	1.20%
00-08	ONLY	1.22%
00-09	ONLY	1.24%
00-10	ONLY	1.26%
00-11	ONLY	1.27%
01-00	ONLY	1.28%
01-01	ONLY	1.29%
01-02	ONLY	1.30%
01-03	ONLY	1.31%
01-04	ONLY	1.32%
01-05	ONLY	1.33%
01-06	ONLY	1.34%
01-07	ONLY	1.34%
01-08	ONLY	1.35%
01-09	ONLY	1.36%
01-10	ONLY	1.37%
01-11	ONLY	1.38%
02-00	ONLY	1.39%
02-01	ONLY	1.40%
02-02	ONLY	1.42%
02-03	ONLY	1.43%
02-04	ONLY	1.44%
02-05	ONLY	1.45%
02-06	ONLY	1.46%
02-07	ONLY	1.47%
02-08	ONLY	1.48%
02-09	ONLY	1.49%
02-10	ONLY	1.50%
02-11	ONLY	1.52%
03-00	ONLY	1.53%
03-01	ONLY	1.54%
03-02	ONLY	1.55%
03-03	ONLY	1.56%
03-04	ONLY	1.58%
03-05	ONLY	1.59%
03-06	ONLY	1.60%

9/28/17

## Stephen T. Warren

---

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**Cc:** Douglas E Carlile <dcarlile@causeycpas.com>; William D Glasso <Wglasso@causeycpas.com>; Stephen T. Warren <swarren@causeycpas.com>; Lisa G. Morris <lmorris@causeycpas.com>  
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T 0 7/8 01/31/18 Govt		Settings		Yield and Spread Analysis	
99-29 5/8 /99-30 1/8		1.081/1.038		BGN @ 11:28	
				95 Buy 96 Sell	
1) Yield & Spread		2) Yields		3) Graphs	
4) Pricing		5) Description		6) Custom	
T 0 7/8 01/31/18 ( 912828UJ7 )				Risk	
Spread 0.72 bp vs 3m B 0 12/21/17		Price 99-30 1/8		Workout OAS	
Yield 1.037677 Wst		1.01375 11:28:55		M.Dur Dur 0.357 0.360	
Wkout 01/31/2018 @ 100.00		Duration Yld 6 6		Risk 0.358 0.360	
Settle 09/21/17		09/21/17		Convexity 0.003 0.003	
				DV 01 on 1MM 35.76 35.98	
				Benchmark Risk 0.248 0.247	
				Risk Hedge 1,442 M 1,455 M	
				Proceeds Hedge 1,003 M	
Spreads		Yield Calculations		Invoice	
G-Sprd -5.7		Street Convention 1.037677		Face 1,000 M	
I-Sprd -32.6		Equiv 1 /Yr 1.041133		Principal 999,414.06	
Basis 48.3		Mmkt (Act/ 360) 1.015119		Accrued (52 Days) 1,236.41	
Z-Sprd -34.8		True Yield 1.037677		Total (USD) 1,000,650.47	
ASW -33.7		Current Yield 0.876			
OAS -4.8					
After Tax (Inc 43.400% CG 23.800%) 0.587640					
Issue Price = 99.932, OID Bond with Acquisition Prem.					

SN 225591 EDT GMT-4:00 H444-2168-0 20-Sep-2017 11:28:55

Bond Matures on a SATURDAY

T 2 1/4 07/31/21 Govt		Settings	Yield and Spread Analysis	
102-003/4 / 102-013/4		1.706/1.697	BGN @ 11:30	95 Buy 90 Sell
1) Yield & Spread 2) Yields 3) Graphs 4) Pricing 5) Description 6) Custom				
T 2 1/4 07/31/21 ( 912828WY2 )		Risk		
Spread	16.11 bp vs 3y T 1 3/8 09/15/20	Workout		OAS
Price	102-013/4	<input checked="" type="checkbox"/> M.Dur <input type="checkbox"/> Dur	3.677	3.689
Yield	1.697375 Wst 1.536320 S/A	Risk	3.764	3.776
Wkout	07/31/2021 @ 100.00	Convexity	0.157	0.158
Settle	09/21/17	DV 01 on 1MM	376	378
	Duration Yld 6 6	Benchmark Risk	2.897	2.904
		Risk Hedge	1,299 M	1,301 M
		Proceeds Hedge	1,028 M	
Spreads		Invoice		
G-Sprd	3.1	Face	1,000 M	
I-Sprd	-12.5	Principal	1,020,546.88	
Basis	39.7	Accrued (52 Days)	3,179.35	
Z-Sprd	-12.0	Total (USD)	1,023,726.23	
ASW	-11.9			
OAS	3.4			
Yield Calculations				
Street Convention 1.697375				
Equiv 1 /Yr 1.704578				
Mmkt (Act/ 360) 1.695053				
True Yield 1.695053				
Current Yield 2.205				
After Tax (Inc 43.400% CG 23.800%) 0.960792				
Issue Price = 100.000. Bond Purchased with Premium.				

SN 225591 EDT GMT-4:00 H444-2168-0 20-Sep-2017 11:30:06

T 0 3/4 01/31/18 Govt		Settings		Yield and Spread Analysis	
99-28/99-28+		1.099/1.055		BGN @ 11:28	
				95 Buy 96 Sell	
1) Yield & Spread		2) Yields		3) Graphs	
4) Pricing		5) Description		6) Custom	
T 0 3/4 01/31/18 ( 912828P20 )				Risk	
Spread 2.45 bp vs 3m B 0 12/21/17				Workout OAS	
Price 99-28+ 1.01375 11:28:40				M.Dur Dur 0.357 0.360	
Yield 1.054960 Wst 1.030471 Con				Risk 0.357 0.360	
Wkout 01/31/2018 @ 100.00 Duration Yld 6 6				Convexity 0.003 0.003	
Settle 09/21/17 09/21/17				DV 01 on 1MM 35.73 35.95	
				Benchmark Risk 0.248 0.247	
				Risk Hedge 1,441 M 1,454 M	
				Proceeds Hedge 1,003 M	
Spreads		Yield Calculations		Invoice	
G-Sprd -4.0		Street Convention 1.054960		Face 1,000 M	
I-Sprd -30.8		Equiv 1 /Yr 1.058532		Principal 998,906.25	
Basis 46.6		Mmkt (Act/ 360) 1.032026		Accrued (52 Days) 1,059.78	
Z-Sprd -33.0		True Yield 1.054960		Total (USD) 999,966.03	
ASW -32.0		Current Yield 0.751			
OAS -3.1					
After Tax (Inc 43.400% CG 23.800%) 0.597382					
Issue Price = 99.783. OID Bond with Acquisition Prem.					

SN 225591 EDT GMT-4:00 H444-2168-0 20-Sep-2017 11:28:41

# **TRADE TICKETS**





**Justin M Greaser**

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**From:** Brian.Warden@wellsfargo.com  
**Sent:** Wednesday, September 20, 2017 10:56 AM  
**To:** Brian.Warden@wellsfargo.com  
**Subject:** Trade Confirmation

\* TRADE TICKET \* As Of: 09/20/17

ISIN: US912828VQ01 TICKET NUMBER: 49550368  
ENTRY DATE TIME: 09/20/17 09:53 MATURITY DATE : 07/31/18  
SALES PERSON: DOUG SAFFORD (DATED: 07/31/13)  
CUSTOMER ACCOUNT: CAUSE/SUBALLOCATE Broadridge #: xxxx3202  
SELLS: 2085 (M) of UST 1.375 07/31/2018 CUSIP: 912828VQ0  
PRICE: 100.08412000, PRICE(tics): 100-2.75, YIELD: 1.27340000, SPREAD: .0000  
SETTLEMENT on 09/28/17 ISSUER: UNITED STA

NOTES:

{912828VQ0 Govt DES<GO>}

** PRINCIPAL:	\$	2,086,753.90
** ACCRUED (59 days):		4,596.35
** ADDITIONAL FEE:	\$	.00
** TOTAL:	\$	2,091,350.25

-----  
FINRA Rule 4515.01 requires that all accepted orders with the intent to allocate complete that allocation by 12 p.m. EST on the next business day following the trading session. In order to comply with this new rule, we ask for your help to provide your allocations to us with enough time to execute before the noon deadline.

Wells Fargo Securities is the trade name for the capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Securities, LLC, member FINRA and SIPC. If this communication relates to an offering of US registered securities

- (i) a registration statement has been filed with the SEC,
- (ii) before investing you should read the prospectus and other documents the issuer has filed with the SEC, and
- (iii) you may obtain these documents from your sales representative, by calling 1-800-326-5897 or visiting [www.sec.gov](http://www.sec.gov).

If this communication relates to a securities offering exempt from US registration, you should contact your sales representative for the complete disclosure package.

In Japan, see: <https://www.wellsfargo.com/com/disclaimer/wfsjb1>.

This electronic communication is subject to a disclaimer, please click on the following link or cut and paste the link into the address bar of your browser.

<https://www.wellsfargo.com/com/disclaimer/ged5>

**Justin M Greaser**

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**From:** Brian.Warden@wellsfargo.com  
**Sent:** Wednesday, September 20, 2017 10:56 AM  
**To:** Brian.Warden@wellsfargo.com  
**Subject:** Trade Confirmation

\* TRADE TICKET \* As Of: 09/20/17  
ISIN: US912828B337 TICKET NUMBER: 49550364  
ENTRY DATE TIME: 09/20/17 09:53 MATURITY DATE : 01/31/19  
SALES PERSON: DOUG SAFFORD (DATED: 01/31/14)  
CUSTOMER ACCOUNT: CAUSE/SUBALLOCATE Broadridge #: xxxx3202  
SELLS: 752 (M) of UST 1.5 01/31/2019 CUSIP: 912828B33  
PRICE: 100.21021000, PRICE(tics): 100-6.75, YIELD: 1.34070000, SPREAD: .0000  
SETTLEMENT on 09/28/17 ISSUER: UNITED STA

NOTES:

{912828B33 Govt DES<GO>}  
\*\* PRINCIPAL: \$ 753,580.78  
\*\* ACCRUED (59 days): 1,808.48  
\*\* ADDITIONAL FEE: \$ .00  
\*\* TOTAL: \$ 755,389.26

-----  
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<https://www.wellsfargo.com/com/disclaimer/qed5>

**Justin M Greaser**

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**From:** Brian.Warden@wellsfargo.com  
**Sent:** Wednesday, September 20, 2017 10:56 AM  
**To:** Brian.Warden@wellsfargo.com  
**Subject:** Trade Confirmation

\* TRADE TICKET \* As Of: 09/20/17

ISIN: US9128282K52 TICKET NUMBER: 49550378  
ENTRY DATE TIME: 09/20/17 09:53 MATURITY DATE : 07/31/19  
SALES PERSON: DOUG SAFFORD (DATED: 07/31/17)  
CUSTOMER ACCOUNT: CAUSE/SUBALLOCATE Broadridge #: xxxx3202  
SELLS: 2203 (M) of UST 1.375 07/31/2019 CUSIP: 9128282K5  
PRICE: 99.96638000, PRICE(tics): 99-30.875, YIELD: 1.39330000, SPREAD: .0000  
SETTLEMENT on 09/28/17 ISSUER: UNITED STA

NOTES:

{9128282K5 Govt DES<GO>}

** PRINCIPAL:	\$	2,202,259.35
** ACCRUED (59 days):		4,856.48
** ADDITIONAL FEE:	\$	.00
** TOTAL:	\$	2,207,115.83

-----  
FINRA Rule 4515.01 requires that all accepted orders with the intent to allocate complete that allocation by 12 p.m. EST on the next business day following the trading session. In order to comply with this new rule, we ask for your help to provide your allocations to us with enough time to execute before the noon deadline.

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- (iii) you may obtain these documents from your sales representative, by calling 1-800-326-5897 or visiting [www.sec.gov](http://www.sec.gov).

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<https://www.wellsfargo.com/com/disclaimer/ged5>

**Justin M Greaser**

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**From:** Brian.Warden@wellsfargo.com  
**Sent:** Wednesday, September 20, 2017 10:56 AM  
**To:** Brian.Warden@wellsfargo.com  
**Subject:** Trade Confirmation

\* TRADE TICKET \* As Of: 09/20/17  
ISIN: US912828H524 TICKET NUMBER: 49550379  
ENTRY DATE TIME: 09/20/17 09:53 MATURITY DATE : 01/31/20  
SALES PERSON: DOUG SAFFORD (DATED: 02/02/15)  
CUSTOMER ACCOUNT: CAUSE/SUBALLOCATE Broadridge #: xxxx3202  
SELLS: 734 (M) of UST 1.25 01/31/2020 CUSIP: 912828H52  
PRICE: 99.54322000, PRICE(tics): 99-17.375, YIELD: 1.44910000, SPREAD: .0000  
SETTLEMENT on 09/28/17 ISSUER: UNITED STA  
NOTES:

{912828H52 Govt DES<GO>}  
\*\* PRINCIPAL: \$ 730,647.23  
\*\* ACCRUED (59 days): 1,470.99  
\*\* ADDITIONAL FEE: \$ .00  
\*\* TOTAL: \$ 732,118.22

-----  
FINRA Rule 4515.01 requires that all accepted orders with the intent to allocate complete that allocation by 12 p.m. EST on the next business day following the trading session. In order to comply with this new rule, we ask for your help to provide your allocations to us with enough time to execute before the noon deadline.

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**Justin M Greaser**

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**From:** Brian.Warden@wellsfargo.com  
**Sent:** Wednesday, September 20, 2017 10:56 AM  
**To:** Brian.Warden@wellsfargo.com  
**Subject:** Trade Confirmation

\* TRADE TICKET \* As Of: 09/20/17  
ISIN: US912828WY26 TICKET NUMBER: 49550366  
ENTRY DATE TIME: 09/20/17 09:53 MATURITY DATE : 07/31/21  
SALES PERSON: DOUG SAFFORD (DATED: 07/31/14)  
CUSTOMER ACCOUNT: CAUSE/SUBALLOCATE Broadridge #: xxxx3202  
SELLS: 32413 (M) of UST 2.25 07/31/2021 CUSIP: 912828WY2  
PRICE: 102.05967667, PRICE(tics): 102-1.875, YIELD: 1.69340000, SPREAD: .0000  
SETTLEMENT on 09/28/17 ISSUER: UNITED STA

NOTES:  
{912828WY2 Govt DES<GO>}  
\*\* PRINCIPAL: \$ 33,080,603.00  
\*\* ACCRUED (59 days): 116,924.61  
\*\* ADDITIONAL FEE: \$ .00  
\*\* TOTAL: \$ 33,197,527.61

-----  
FINRA Rule 4515.01 requires that all accepted orders with the intent to allocate complete that allocation by 12 p.m. EST on the next business day following the trading session. In order to comply with this new rule, we ask for your help to provide your allocations to us with enough time to execute before the noon deadline.

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<https://www.wellsfargo.com/com/disclaimer/ged5>

**\$45,874,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE  
NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A**

**AND**

**\$2,669,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE  
NATIONAL CITY REDEVELOPMENT AGENCY  
TAXABLE TAX ALLOCATION REFUNDING BONDS, SERIES 2017B**

**PURCHASER LETTER**

September 28, 2017

Successor Agency to the Community Development Commission as the National City Redevelopment Agency  
National City, California

The Bank of New York Mellon Trust Company, N.A.  
Los Angeles, California

Nossaman LLP  
Irvine, California

Ladies and Gentlemen:

The undersigned (the “Purchaser”) hereby acknowledges receipt of \$48,543,000 in aggregate principal amount of the above-captioned bonds (the “Bonds”), dated September 28, 2017 in fully registered form and bearing interest from the date thereof.

1. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations of a nature similar to the Bonds to be able to evaluate the risks and merits of the investment represented by the purchase of the Bonds.

2. We are acquiring the Bonds for our own account and not with a view to, or for sale in connection with, any distribution of the Bonds or any part thereof. We have not offered to sell, solicited offers to buy, or agreed to sell the Bonds or any part thereof, and we have no present intention of reselling or otherwise disposing of the Bonds.

3. As a sophisticated investor, we have made our own credit inquiry and analysis with respect to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the “Issuer”) and the Bonds, and have made an independent credit decision based upon such inquiry and analysis. The Issuer has furnished to us all the information which we have requested of the Issuer as a result of our having attached significance thereto in making our

investment decision with respect to the Bonds, and we have had the opportunity to ask questions of and receive answers from representatives of the Issuer and the Bonds. We are able and willing to bear the economic risk of the purchase and ownership of the Bonds.

4. We understand that the Bonds have not been registered with any federal or state securities agency or commission. The Bonds shall not have CUSIPs.

5. We acknowledge that the Bonds are transferable upon presentation to the bond registrar and are transferable in authorized denominations as provided in the Indenture provided that:

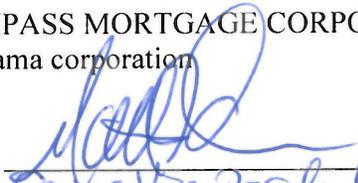
(i) the transferring holder thereof shall first have complied with all applicable state and federal securities laws and regulations;

(ii) the transferring holder thereof is transferring the Bonds only to a transferee who executes and delivers to the Issuer a letter of the transferee substantially in the form of this letter and who qualifies as: a qualified institutional buyer pursuant to Rule 144A of the Securities Act of 1933, as amended (the "1933 Securities Act");

(iii) the transferring holder thereof will not prepare or furnish, or cause to be prepared or furnished, any disclosure regarding the Issuer's finances without the prior review and written consent of the Issuer, in the Issuer's sole discretion.

6. The Purchaser certifies that it is a "qualified institutional buyer" within the meaning of Rule 144A of the Securities Act.

COMPASS MORTGAGE CORPORATION, an  
Alabama corporation

By: 

Its: Senior Vice President

**\$45,874,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A**

**AND**

**\$2,669,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAXABLE TAX ALLOCATION REFUNDING BONDS, SERIES 2017B**

**AND**

**\$2,669,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017B  
(PRIVATE ACTIVITY-AMT)**

**CLOSING CERTIFICATE OF THE TRUSTEE, ESCROW BANK AND PRIOR  
TRUSTEE**

The undersigned, on behalf of The Bank of New York Mellon Trust Company, N.A. (the “Bank”), (i) as trustee under that certain Indenture of Trust, dated as of September 1, 2017 (the “Indenture”), between the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the “Agency”) and the Bank relating to the above-captioned bonds (the “Bonds”), (ii) as Escrow Bank under the Escrow Agreement (the “Escrow Agreement”) prepared in connection with the previously-issued Community Development Commission as the National City Redevelopment Agency 1999 Tax Allocation Housing Bonds (National City Downtown Redevelopment Project) (the “1999 Bonds”), dated as of September 28, 2017, by and between the Agency and Bank, and (iii) as successor trustee to U.S. Bank Trust National Association with respect to the Community Development Commission as the National City Redevelopment Agency 1999 Tax Allocation Housing Bonds (National City Downtown Redevelopment Project) (the “1999 Bonds”) for all purposes (as such, the “Prior Trustee”), hereby states and certifies that the undersigned is an authorized officer of the Bank and as such, is familiar with the following facts and is authorized and qualified to certify the following facts on behalf of the Bank:

(1) The Bank is duly organized and existing as a national banking association organized and existing under the laws of the United States of America, having the full power and authority to (i) enter into and accept the trusts created under and perform its duties under the Indenture and the Escrow Agreement (ii) authenticate the Bonds, and (iii) accept the Escrow Agreement as the Prior Trustee.

(2) The Bank is duly authorized to enter into and accept the Indenture and the Escrow Agreement, and, when the Indenture is duly authorized, executed and delivered by the Agency, to authenticate and deliver the Bonds to Compass Mortgage Corporation, an Alabama corporation (the “Original Purchaser”) pursuant to the terms of the Indenture.

(3) The execution and delivery by the Bank of the Indenture and the Escrow Agreement, and compliance with the terms thereof, will not conflict with, or result in a violation or breach of, or constitute a default under, any material agreement or material instrument to which the Bank is a party or by which it is bound, or, to its best knowledge, any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Bank or any of its activities or properties (except that no representation, warranty or agreement is made by the Bank with respect to any federal or state securities or blue sky laws or regulations).

(4) To the knowledge of the Bank, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened against or affecting the existence of the Bank or in any way contesting or affecting the validity or enforceability of the Bonds, the Indenture and the Escrow Agreement or contesting the powers of the Bank or its authority to enter into and perform its obligations under any of the foregoing or to accept any of the foregoing, or wherein an unfavorable decision, ruling or finding would adversely affect the Bank or the transactions contemplated in connection with the issuance and sale of the Bonds, or which, in any way, would adversely affect the validity of the Bonds, the Indenture, the Escrow Agreement, or any agreement or instrument to which the Bank is a party and which is used or contemplated for use in the Indenture or the Escrow Agreement, or the consummation of the transactions contemplated in connection with the issuance and sale of the Bonds.

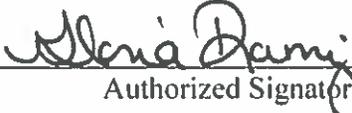
(5) Subject to the provisions of the Indenture, the Bank will apply the proceeds from the Bonds to the purposes specified in the Indenture.

Capitalized terms used herein shall have the meanings given them in the Indenture.

[Remainder of Page Intentionally Left Blank]

Dated: September 28, 2017

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

By:   
Authorized Signatory

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

**OFFICER'S CERTIFICATE**

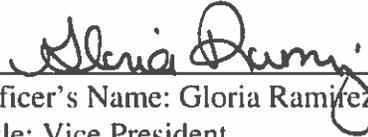
I do hereby certify that:

(i) I am the duly elected Officer of The Bank of New York Mellon Trust Company, N.A.; (the Company”);

(ii) attached hereto is a true, correct copy of Signing Authorities extracts from by-laws of the Company adopted by action of the Board of Directors of the Company and presently in effect;

(iii) attached hereto is a list of the persons who, as of the date hereof, are certain duly elected officers of the Company, which lists sets forth the title of each such officer next to his or her typed name, with which officers I am personally familiar; and

IN WITNESS WHEREOF, I have hereunto executed this Certificate as Vice President of the Company this 28<sup>th</sup> day of September, 2017.



Officer's Name: Gloria Ramirez  
Title: Vice President

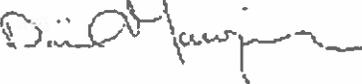
I hereby certify that as of the date hereof that, Gloria Ramirez is the duly elected Officer of The Bank of New York Mellon Trust Company, N.A., the signature which appears on the foregoing pages is the signature of Gloria Ramirez and that it is a signature with which I am personally familiar and do certify as to its authenticity.

Dated: September 28, 2017

  
By: Mark Golder  
Title: Vice President

THE BANK OF NEW YORK MELLON TRUST COMPANY,  
NATIONAL ASSOCIATION

I, the undersigned, Susan K. Maroni, Assistant Secretary of The Bank of New York Mellon Trust Company, National Association, a national banking association organized under the laws of the United States (the "Association") and located in the State of California, DO HEREBY CERTIFY that the following individuals are duly appointed and qualified Officers of the Association and that the signature appearing next to each officer listed is a true copy of the signature of such officer:

<u>Officer Name and Title</u>	<u>Signing Authority</u>	<u>Signature</u>
<u>Los Angeles, California (400 South Hope Street)</u>		
Fanny Chen Vice President	A, J, N	
Mark A. Golder Vice President	A, J, N	
Lisa Infusino Vice President	A, J, N	
Daniel Marroquin Vice President	A, J, N	
Gloria Ramirez Vice President	A, J, N	
Gonzalo Urey Vice President	A, J, N	
Deborah D. Young Vice President	A, J, N	
<u>Seattle, Washington (601 Union Street)</u>		
Carol Nelson Vice President	A, J, N	

I further certify that as of this date they have been authorized to sign on behalf of the Association in discharging or performing their duties in accordance with the senior and limited signing powers provided under Article V, Sections 5.2 and 5.3 of the By-laws of the Association and the paragraphs indicated above of the signing authority resolution of the Board of Directors of the Association.

Attached hereto are true and correct copies of excerpts of the By-laws of the Association and the signing authority resolution, which have not been amended or revised since October 15, 2009 and are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of The Bank of New York Mellon Trust Company, National Association this 14<sup>th</sup> day of June 2016.

  
Susan K. Maroni, Assistant Secretary

Extracts from By-Laws  
of  
The Bank of New York Mellon Trust Company, National Association  
As Amended through October 15, 2009

ARTICLE V  
SIGNING AUTHORITIES

Section 5.1. Real Property. Real property owned by the Association in its own right shall not be deeded, conveyed, mortgaged, assigned or transferred except when duly authorized by a resolution of the Board. The Board may from time-to-time authorize officers to deed, convey, mortgage, assign or transfer real property owned by the Association in its own right with such maximum values as the Board may fix in its authorizing resolution.

Section 5.2. Senior Signing Powers. Subject to the exception provided in Section 5.1, the President and any Executive Vice President is authorized to accept, endorse, execute or sign any document, instrument or paper in the name of, or on behalf of, the Association in all transactions arising out of, or in connection with, the normal course of the Association's business or in any fiduciary, representative or agency capacity and, when required, to affix the seal of the Association thereto. In such instances as in the judgment of the President, or any Executive Vice President may be proper and desirable, any one of said officers may authorize in writing from time-to-time any other officer to have the powers set forth in this section applicable only to the performance or discharge of the duties of such officer within his or her particular division or function. Any officer of the Association authorized in or pursuant to Section 5.3 to have any of the powers set forth therein, other than the officer signing pursuant to this Section 5.2, is authorized to attest to the seal of the Association on any documents requiring such seal.

Section 5.3. Limited Signing Powers. Subject to the exception provided in Section 5.1, in such instances as in the judgment of the President or any Executive Vice President, may be proper and desirable, any one of said officers may authorize in writing from time-to-time any other officer, employee or individual to have the limited signing powers or limited power to affix the seal of the Association to specified classes of documents set forth in a resolution of the Board applicable only to the performance or discharge of the duties of such officer, employee or individual within his or her division or function.

Section 5.4. Powers of Attorney. All powers of attorney on behalf of the Association shall be executed by any officer of the Association jointly with the President, any Executive Vice President, or any Managing Director, provided that the execution by such Managing Director of said Power of Attorney shall be applicable only to the performance or discharge of the duties of said officer within his or her particular division or function. Any such power of attorney may, however, be executed by any officer or officers or person or persons who may be specifically authorized to execute the same by the Board of Directors.

Section 5.5. Auditor. The Auditor or any officer designated by the Auditor is authorized to certify in the name of, or on behalf of the Association, in its own right or in a fiduciary or representative capacity, as to the accuracy and completeness of any account, schedule of assets, or other document, instrument or paper requiring such certification.

## SIGNING AUTHORITY RESOLUTION

Pursuant to Article V, Section 5.3 of the By-Laws  
Adopted October 15, 2009

**RESOLVED** that, pursuant to Section 5.3 of the By-Laws of the Association, authority be, and hereby is, granted to the President or any Executive Vice President, in such instances as in the judgment of any one of said officers may be proper and desirable, to authorize in writing from time-to-time any other officer, employee or individual to have the limited signing authority set forth in any one or more of the following paragraphs applicable only to the performance or discharge of the duties of such officer, employee or individual within his or her division or function:

(A) All signing authority set forth in paragraphs (B) through (I) below except Level C which must be specifically designated.

(B1) Individuals authorized to accept, endorse, execute or sign any bill receivable; certification; contract, document or other instrument evidencing, embodying a commitment with respect to, or reflecting the terms or conditions of, a loan or an extension of credit by the Association; note; and document, instrument or paper of any type, including stock and bond powers, required for purchasing, selling, transferring, exchanging or otherwise disposing of or dealing in foreign currency, derivatives or any form of securities, including options and futures thereon; in each case in transactions arising out of, or in connection with, the normal course of the Association's business.

(B2) Individuals authorized to endorse, execute or sign any certification; disclosure notice required by law; document, instrument or paper of any type required for judicial, regulatory or administrative proceedings or filings; and legal opinions.

(C1) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in excess of \$500,000,000 with single authorization for all transactions.

(C2) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in excess of \$500,000,000\*.

(C3) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$500,000,000.

(C4) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount in excess of \$100,000,000 but not to exceed \$500,000,000\*.

(C5) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$100,000,000.

(C6) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$10,000,000.

(C7) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$5,000,000.

(C8) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$1,000,000.

(C9) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$250,000.

(C10) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$50,000.

(C11) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$5,000.

\*Dual authorization is required by any combination of senior officer and/or Sector Head approved designee for non-exempt transactions. Single authorization required for exempt transactions.

(D1) Authority to accept, endorse, execute or sign any contract obligating the Association for the payment of money or the provision of services in an amount up to \$1,000,000.

(D2) Authority to accept, endorse, execute or sign any contract obligating the Association for the payment of money or the provision of services in an amount up to \$250,000.

(D3) Authority to accept, endorse, execute or sign any contract obligating the Association for the payment of money or the provision of services in an amount up to \$50,000.

(D4) Authority to accept, endorse, execute or sign any contract obligating the Association for the payment of money or the provision of services in an amount up to \$5,000.

(E) Authority to accept, endorse, execute or sign any guarantee of signature to assignments of stocks, bonds or other instruments; certification required for transfers and deliveries of stocks, bonds or other instruments; and document, instrument or paper of any type required in connection with any Individual Retirement Account or Keogh Plan or similar plan.

(F) Authority to accept, endorse, execute or sign any certificate of authentication as bond, unit investment trust or debenture trustee and on behalf of the Association as registrar and transfer agent.

(G) Authority to accept, endorse, execute or sign any bankers acceptance; letter of credit; and bill of lading.

(H) Authority to accept, endorse, execute or sign any document, instrument or paper of any type required in connection with the ownership, management or transfer of real or personal property held by the Association in trust or in connection with any transaction with respect to which the Association is acting in any fiduciary, representative or agency capacity, including the acceptance of such fiduciary, representative or agency account.

(I1) Authority to effect the external movement of free delivery of securities and internal transfers resulting in changes of beneficial ownership.

(I2) Authority to effect the movement of securities versus payment at market or contract value.

(J) Authority to either sign on behalf of the Association or to affix the seal of the Association to any of the following classes of documents: Trust Indentures, Escrow Agreements, Pooling and Servicing Agreements, Collateral Agency Agreements, Custody Agreements, Trustee's Deeds, Executor's Deeds, Personal Representative's Deeds, Other Real Estate Deeds for property not owned by the Association in its own right, Corporate Resolutions, Mortgage Satisfactions, Mortgage Assignments, Trust Agreements, Loan Agreements, Trust and Estate Accountings, Probate Petitions, responsive pleadings in litigated matters and Petitions in Probate Court with respect to Accountings, Contracts for providing customers with Association products or services.

(N) Individuals authorized to accept, endorse, execute or sign internal transactions only, (i.e., general ledger tickets); does not include the authority to authorize external money movements, internal money movements or internal free deliveries that result in changes of beneficial ownership.

(P1) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in excess of \$10,000,000.

(P2) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$10,000,000.

(P3) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$5,000,000.

(P4) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$1,000,000.

(P5) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$250,000.

(P6) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$100,000.

(P7) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$50,000.

(P8) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$25,000.

(P9) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$10,000.

(P10) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$5,000.

(P11) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$3,000.

**RESOLVED**, that any signing authority granted pursuant to this resolution may be rescinded by the President or any Executive Vice President and such signing authority shall terminate without the necessity of any further action when the person having such authority leaves the employ of the Association.

**\$45,874,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A**

**CLOSING CERTIFICATE OF THE ESCROW BANK AND THE PRIOR TRUSTEE**

The undersigned, in connection with the issuance of the above-captioned bonds (the “Bonds”), and on behalf of U.S. Bank National Association (the “Bank”) (i) as Escrow Bank under the Escrow Agreement (the “2017A Escrow Agreement”) prepared in connection with the previously-issued Community Development Commission as the National City Redevelopment Agency 2005 Tax Allocation Refunding Bonds (National City Redevelopment Project), Series B (the “2005 Series B Bonds”) and the previously-issued Community Development Commission as the National City Redevelopment Agency 2011 Tax Allocation Bonds (National City Redevelopment Project) (the “2011 Bonds”), dated as of September 28, 2017, by and between the Agency and Bank and (ii) as successor in interest to Deutsche Bank National Trust Company with respect to the 2005 Series B Bonds and the 2011 Bonds for all purposes (as the “2017A Prior Trustee”), hereby states and certifies that the undersigned is an authorized officer of the Bank and as such, is familiar with the following facts and is authorized and qualified to certify the following facts on behalf of the Bank:

(1) The Bank is duly organized and existing as a national banking association organized and existing under the laws of the United States of America, having the full power and authority to (i) enter into and perform its duties as Escrow Bank under the 2017A Escrow Agreement, and (ii) accept the 2017A Escrow Agreement as the 2017A Prior Trustee.

(2) The Bank is duly authorized to enter into the 2017A Escrow Agreement and to accept the 2017A Escrow Agreement.

(3) The execution and delivery by the Bank of the 2017A Escrow Agreement, and compliance with the terms thereof, and its acceptance thereof, will not conflict with, or result in a violation or breach of, or constitute a default under, any material agreement or material instrument to which the Bank is a party or by which it is bound, or, to its best knowledge, any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Bank or any of its activities or properties (except that no representation, warranty or agreement is made by the Bank with respect to any federal or state securities or blue sky laws or regulations).

(4) To the knowledge of the Bank, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened against or affecting the existence of the Bank or in any way contesting or affecting the validity or enforceability of the 2017A Escrow Agreement or contesting the powers of the Bank or its authority to enter into and perform its obligations under any of the foregoing or to accept any of the foregoing, or wherein an unfavorable decision, ruling or finding would adversely affect the Bank or the transactions contemplated in connection with the issuance and sale of the Bonds, or which, in any way, would adversely affect the validity of the 2017A Escrow

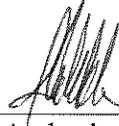
Agreement, or any agreement or instrument to which the Bank is a party and which is used or contemplated for use in the 2017A Escrow Agreement, or the consummation of the transactions contemplated in connection with the issuance and sale of the Bonds.

Capitalized terms used herein shall have the meanings given them in the 2017A Escrow Agreement.

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Dated: September 28, 2017

**U.S. BANK NATIONAL ASSOCIATION,**  
as Escrow Bank and Prior Trustee

By:  \_\_\_\_\_  
Authorized Signatory

**U.S. BANK NATIONAL ASSOCIATION**  
**AUTHORIZED SIGNER(S)**

I hereby certify that the following is a true and exact extract of Article VI of the Bylaws presently in effect for U.S. Bank National Association, an association organized and existing under the laws of the United States:

**ARTICLE VI.**  
**CONVEYANCES, CONTRACTS, ETC.**

All transfers and conveyances of real estate, mortgages, and transfers, endorsements or assignments of stock, bonds, notes, debentures or other negotiable instruments, securities or personal property shall be signed by any elected or appointed officer.

All checks, drafts, certificates of deposit and all funds of the Association held in its own or in a fiduciary capacity may be paid out by an order, draft or check bearing the manual or facsimile signature of any elected or appointed officer of the Association.

All mortgage satisfactions, releases, all types of loan agreements, all routine transactional documents of the Association, and all other instruments not specifically provided for, whether to be executed in a fiduciary capacity or otherwise, may be signed on behalf of the Association by any elected or appointed officer thereof.

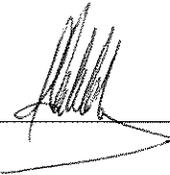
The Secretary or any Assistant Secretary of the Association or other proper officer may execute and certify that required action or authority has been given or has taken place by resolution of the Board under this Bylaw without the necessity of further action by the Board.

I further certify that *Ilse Vlach* of U.S. Bank National Association has been duly elected and qualified and now holds the *office* listed herein, and that the signature of such officer is authentic:

Ilse Vlach

*Assistant Vice President*

WILL SIGN:

  
\_\_\_\_\_

IN WITNESS WHEREOF, I have hereunto set my hand to be affixed hereto this 28<sup>th</sup> day of September, 2017

**U.S. Bank National Association**

By: Ismael Diaz

  
\_\_\_\_\_  
*Vice President*

**\$45,874,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A**

**DELIVERY CERTIFICATE AND CROSS-RECEIPT**

The Bank of New York Mellon Trust Company, N.A., duly organized and existing as a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee") for the above-captioned bonds (the "Bonds") pursuant to the Indenture of Trust, dated as of September 1, 2017 (the "Indenture"), between Trustee and the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the "Agency") by and through the undersigned, a duly authorized signatory of such Trustee, does hereby acknowledge forwarding a wire transmittal in the amount of \$45,603,843.54, which amount is equal to the proceeds of the Bonds received by it from the Original Purchaser net of certain costs of issuance (the "2017A Net Proceeds"), to U.S. Bank National Association, as the escrow bank (the "2017A Escrow Bank") pursuant to the Indenture and the Escrow Agreement by and between the Agency and the 2017A Escrow Bank, dated as of September 28, 2017 (the "2017A Escrow Agreement"), prepared in connection with the Community Development Commission as the National City Redevelopment Agency's (the "Commission") previously issued 2005 Tax Allocation Refunding Bonds, Series B (the "2005 Series B Bonds") and its previously issued 2011 Tax Allocation Bonds (the "2011 Bonds," and together with the 2005 Series B Bonds, the "Prior Bonds"), and U.S. Bank National Association, duly organized and existing as a national banking association organized and existing under the laws of the United States of America, as the 2017A Escrow Bank, by and through the undersigned, a duly authorized signatory of the 2017A Escrow Bank, does hereby acknowledge receipt of the same 2017A Net Proceeds. Each of the parties hereto does hereby certify that all of the conditions of such wire transmittal have been fully satisfied or waived, and the Prior Bonds Trustee (defined below) does hereby certify that all opinions, documents and certificates relating to the defeasance of the Prior Bonds are satisfactory as to form and substance. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture and the 2017A Escrow Agreement.

The 2017A Net Proceeds will be deposited by the 2017A Escrow Bank and applied as provided for in the 2017A Escrow Agreement. Additionally, U.S. Bank National Association has succeeded Deutsche Bank National Trust Company with respect to all of its interests and responsibilities as trustee with respect to the 2005 Series B Bonds and the 2011 Bonds, and in such capacity it shall be the "Prior Bonds Trustee."

From funds it holds with respect to the 2005 Series B Bonds, the Prior Bonds Trustee shall apply (i) \$306,941.22 from the Reserve Account (as such is defined in the 2005B Indenture) maintained pursuant to the 2005B Indenture and (ii) \$774.77 from Principal, Interest and Sinking Accounts (as such are defined in the 2005B Indenture) maintained for the 2005 Series B Bonds as described in Section 1 of the 2017A Escrow Agreement. From funds it holds with respect to the 2011 Bonds, the Prior Bonds Trustee shall apply (i) \$4,151,295.87 from the Reserve Account (as such is defined in the 2011 Indenture) maintained for the 2011 Bonds and (ii) \$3,008.92 from the Principal, Interest and Sinking Accounts (as such are defined in the 2011 Indenture) maintained for the 2011 Bonds as described in Section 2 of the 2017A Escrow Agreement.

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Dated: September 28, 2017

**U.S. BANK NATIONAL ASSOCIATION, as  
2017A Escrow Bank and Prior Bonds Trustee**

By:  \_\_\_\_\_  
Authorized Signatory

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

By: \_\_\_\_\_  
Authorized Signatory

Dated: September 28, 2017

**U.S. BANK NATIONAL ASSOCIATION, as  
2017A Escrow Bank and Prior Bonds Trustee**

By: \_\_\_\_\_  
Authorized Signatory

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

By: *Alana Damij*  
Authorized Signatory

**\$45,874,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A**

**DELIVERY CERTIFICATE AND CROSS-RECEIPT**

The Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the “Agency”), by and through the undersigned, a duly authorized signatory of the Agency, does hereby acknowledge forwarding a wire transmittal in the amount of \$1,045,278.00, which amount is equal to all of the redevelopment funds maintained by the Agency pursuant to an Indenture of Trust, dated as of June 1, 2004 (the “2004 Indenture”), as it was amended by a Third Supplemental Indenture of Trust, dated as of March 1, 2011 (so amended, the “2011 Indenture”) between the former Community Development Commission of the City of National City (the “Commission”) and Deutsche Bank National Trust Company, to U.S. Bank National Association, as the escrow bank (the “2017A Escrow Bank”) pursuant to (i) the Indenture of Trust, dated as of September 1, 2017 (the “Indenture”), between the Agency and The Bank of New York Mellon Trust Company, N.A. (the “2017 Trustee”) and (ii) the Escrow Agreement by and between the Agency and the 2017A Escrow Bank, dated as of September 28, 2017 (the “2017A Escrow Agreement”), prepared in connection with the Commission’s previously issued 2005 Tax Allocation Refunding Bonds, Series B (the “2005 Series B Bonds”) and its previously issued 2011 Tax Allocation Bonds (the “2011 Bonds,” and together with the 2005 Series B Bonds, the “Prior Bonds”), and U.S. Bank National Association, duly organized and existing as a national banking association organized and existing under the laws of the United States of America, as the 2017A Escrow Bank, by and through the undersigned, a duly authorized signatory of the 2017A Escrow Bank, does hereby acknowledge receipt of the same redevelopment funds. Each of the parties hereto does hereby certify that all of the conditions of such wire transmittal have been fully satisfied or waived and that all opinions, documents and certificates relating to such transmittals and the defeasance of the Prior Bonds are satisfactory as to form and substance. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture and the 2017A Escrow Agreement.

The redevelopment funds will be deposited by the 2017A Escrow Bank and applied as provided for in Section 2 of the 2017A Escrow Agreement. Additionally, U.S. Bank National Association has succeeded Deutsche Bank National Trust Company with respect to all of its interests and responsibilities as trustee with respect to the 2005 Series B Bonds and the 2011 Bonds, and in such capacity it shall be the “Prior Bonds Trustee.”

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Dated: September 28, 2017

**SUCCESSOR AGENCY TO THE COMMUNITY  
DEVELOPMENT COMMISSION AS THE  
NATIONAL CITY REDEVELOPMENT  
AGENCY**

By:  \_\_\_\_\_  
Executive Director

**U.S. BANK NATIONAL ASSOCIATION, as  
2017A Escrow Bank and Prior Bonds Trustee**

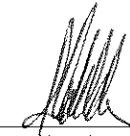
By: \_\_\_\_\_  
Authorized Signatory

Dated: September 28, 2017

**SUCCESSOR AGENCY TO THE COMMUNITY  
DEVELOPMENT COMMISSION AS THE  
NATIONAL CITY REDEVELOPMENT  
AGENCY**

By: \_\_\_\_\_  
Executive Director

**U.S. BANK NATIONAL ASSOCIATION, as  
2017A Escrow Bank and Prior Bonds Trustee**

By: \_\_\_\_\_  
  
Authorized Signatory

**\$45,874,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A**

**DELIVERY CERTIFICATE AND CROSS-RECEIPT**

Compass Mortgage Corporation, an Alabama corporation (the “Original Purchaser”), by and through the undersigned, a duly authorized signatory of the Original Purchaser, does hereby acknowledge receipt of \$45,874,000.00 principal amount of Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A (the “Bonds”), and does hereby certify that all of the conditions to their purchase of said Bonds have been fully satisfied or waived and that all opinions, documents and certificates relating to said Bonds, and the Bonds, are satisfactory as to form and substance. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture of Trust, dated as of September 1, 2017 (the “Indenture”), between The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”) and the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the “Agency”).

The Trustee, by the undersigned, a duly authorized representative, hereby acknowledges receipt from the Original Purchaser of the aggregate sum of \$45,874,000.00 (the “Bond Proceeds”), represented by the Original Purchaser and the Agency to be full payment of the respective purchase prices of the Bonds, said price being calculated as the aggregate principal amounts of the Bonds. The Bond proceeds will be deposited by the Trustee as provided for in Section 3.02 of the Indenture.

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Dated: September 28, 2017

**COMPASS MORTGAGE CORPORATION**, an  
Alabama corporation

By: \_\_\_\_\_



Authorized Signatory

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

By: \_\_\_\_\_

Authorized Signatory

Dated: September 28, 2017

**COMPASS MORTGAGE CORPORATION.** an  
Alabama corporation

By: \_\_\_\_\_  
Authorized Signatory

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

By: *Melinda Damij*  
Authorized Signatory

**\$2,669,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAXABLE TAX ALLOCATION REFUNDING BONDS, SERIES 2017B**

**DELIVERY CERTIFICATE AND CROSS-RECEIPT**

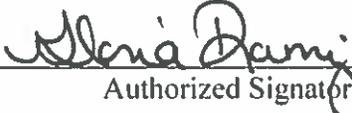
The Bank of New York Mellon Trust Company, N.A. (the “Prior Bonds Trustee” and the “2017B Escrow Bank”), duly organized and existing as a national banking association organized and existing under the laws of the United States of America, as successor trustee to U.S. Bank Trust National Association, the original trustee for the Community Development Commission as the National City Redevelopment Agency’s (the “Commission”) previously issued 1999 Tax Allocation Housing Bonds (National City Downtown Redevelopment Project) (the “1999 Bonds”), currently outstanding in the aggregate principal amount of \$2,910,000, by and through the undersigned, a duly authorized signatory of such Prior Bonds Trustee, does hereby acknowledge that, from funds it holds with respect to the 1999 Bonds, the Prior Bond Trustee shall apply \$334,741.36 from the reserve funds maintained for the 1999 Bonds (the “1999 Escrow Amount”), as provided for in the Escrow Agreement prepared in connection with the 1999 Bonds, dated as of September 28, 2017 (the “2017B Escrow Agreement”), by and between the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the “Agency”) and the 2017B Escrow Bank. The Prior Bonds Trustee does hereby certify that all of the conditions of such application and the defeasance of the 1999 Bonds expressly applicable to it under that certain Indenture of Trust dated as of March 1, 1998, between the Commission and the Prior Bonds Trustee, as supplemented and amended by that certain First Supplement to Indenture of Trust dated as of June 1, 1999, between the Commission and the Prior Bonds Trustee have been fully satisfied. Capitalized terms not otherwise defined herein shall have the meanings set forth in the 2017B Escrow Agreement.

The 1999 Escrow Amount will be deposited by the 2017B Escrow Bank and applied as provided for in the 2017B Escrow Agreement.

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Dated: September 28, 2017

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

By:   
Authorized Signatory

**\$2,669,000**  
**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS**  
**THE NATIONAL CITY REDEVELOPMENT AGENCY**  
**TAXABLE TAX ALLOCATION REFUNDING BONDS, SERIES 2017B**

**DELIVERY CERTIFICATE AND CROSS-RECEIPT**

Compass Mortgage Corporation, an Alabama corporation (the “Original Purchaser”), by and through the undersigned, a duly authorized signatory of the Original Purchaser, does hereby acknowledge receipt of \$2,669,000 principal amount of Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017B (the “Bonds”), and does hereby certify that all of the conditions to their purchase of the Bonds have been fully satisfied or waived and that all opinions, documents and certificates relating to the Bonds, and the Bonds, are satisfactory as to form and substance. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture of Trust, dated as of September 1, 2017 (the “Indenture”), between The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”) and the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the “Agency”).

The Trustee, by the undersigned, a duly authorized representative, hereby acknowledges receipt from the Original Purchaser of the aggregate sum of \$2,669,000.00 (the “Bond Proceeds”), represented by the Original Purchaser and the Agency to be full payment of the respective purchase prices of the Bonds, said price being calculated as the aggregate principal amounts of the Bonds. The Bond proceeds will be deposited by the Trustee as provided for in Section 3.03 of the Indenture, and \$2,638,206.97 thereof shall be further applied as described in the Escrow Agreement prepared in connection with the Community Development Commission as the National City Redevelopment Agency’s (the “Commission”) previously issued 1999 Tax Allocation Housing Bonds (National City Downtown Redevelopment Project), dated as of September 28, 2017, by and between the Agency and The Bank of New York Mellon Trust Company, N.A., as 2017B Escrow Bank.

Dated: September 28, 2017

**COMPASS MORTGAGE CORPORATION**, an  
Alabama corporation

By:  \_\_\_\_\_  
Authorized Signatory

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A.**, as Trustee  
and 2017B Escrow Bank

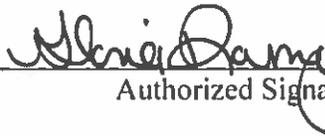
By: \_\_\_\_\_  
Authorized Signatory

Dated: September 28, 2017

**COMPASS MORTGAGE CORPORATION, an  
Alabama corporation**

By: \_\_\_\_\_  
Authorized Signatory

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Trustee  
and 2017B Escrow Bank**

By:  \_\_\_\_\_  
Authorized Signatory

**\$2,669,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017B  
(PRIVATE ACTIVITY-AMT)**

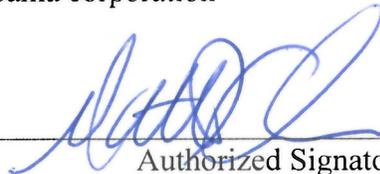
**BANK RECEIPT**

Compass Mortgage Corporation, an Alabama corporation (the "Original Purchaser"), by and through the undersigned, a duly authorized signatory of the Original Purchaser, does hereby acknowledge receipt of \$2,669,000.00 principal amount of Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017B (Private Activity-AMT) (the "Bonds,"), and does hereby certify that all of the conditions to their purchase of the Bonds have been fully satisfied or waived and that all opinions, documents and certificates relating to the Bonds are satisfactory as to form and substance. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture of Trust, dated as of September 1, 2017 (the "Indenture"), between The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") and the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the "Agency").

Dated: November 3, 2017

**COMPASS MORTGAGE CORPORATION**, an  
Alabama corporation

By: \_\_\_\_\_



Authorized Signatory

**\$45,874,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A**

**AND**

**\$2,669,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAXABLE TAX ALLOCATION REFUNDING BONDS, SERIES 2017B**

**AND**

**\$2,669,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017B  
(PRIVATE ACTIVITY-AMT)**

**CERTIFICATE OF FINANCIAL ADVISOR**

The undersigned, an authorized representative of NHA Advisors LLC (the “Financial Advisor”), in its capacity as the financial advisor (the “Financial Advisor”) to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the “Agency”) in connection with the Agency’s issuance of the above-captioned bonds (the “Bonds”), hereby certifies as follows:

1. The undersigned has acted as an independent financial advisor to the Agency in connection with issuance and sale of the Bonds through a private placement to Compass Mortgage Corporation, an Alabama corporation (the “Purchaser”).

2. Based on the Fiscal Consultant’s Report for the Bonds (the “Report”), prepared by HdL Coren & Cone (the “Fiscal Consultant”), the execution and delivery of the Bonds and compliance with the terms thereof will not cause the Agency to exceed any redevelopment plan limitations.

3. The issuance of the Bonds to (A) refund the outstanding (i) Community Development Commission as the National City Redevelopment Agency's (the "Former Commission") previously issued 1999 Tax Allocation Housing Bonds (National City Downtown Redevelopment Project) (the "1999 Bonds"), currently outstanding in the aggregate principal amount of \$2,910,000; (ii) Former Commission's previously issued 2005 Tax Allocation Refunding Bonds (National City Redevelopment Project), Series B (the "2005 Series B Bonds"), currently outstanding in the aggregate principal amount of \$8,290,000; and (iii) Former Commission's previously issued 2011 Tax Allocation Bonds (National City Redevelopment Project) (the "2011 Bonds," and together with the 1999 Bonds and the 2005 Series B Bonds, the "Refunded Bonds"), currently outstanding in the aggregate principal amount of \$35,975,000, and (B) pay costs of issuing the Bonds, meets the requirements of California Health & Safety Code 34177.5(a)(1).

[Remainder of Page Intentionally Left Blank]

Dated: September 28, 2017

**NHA ADVISORS LLC**

By: 

Title: Principal

**\$45,874,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A**

**AND**

**\$2,669,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAXABLE TAX ALLOCATION REFUNDING BONDS, SERIES 2017B**

**AND**

**\$2,669,000**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS  
THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017B  
(PRIVATE ACTIVITY-AMT)**

**CERTIFICATE OF FISCAL CONSULTANT**

The undersigned, a duly authorized representative of HdL Coren & Cone, in its capacity as the fiscal consultant (the "Fiscal Consultant") to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the "Agency") in connection with the Agency's issuance of the above-captioned bonds (the "Bonds"), hereby certifies as follows:

(i) that the individual signing the certificate is an authorized representative of the Fiscal Consultant, and as such, is familiar with the facts certified and is authorized and qualified to certify the same; and

(ii) that the Fiscal Consultant has been retained by the Agency to prepare the Fiscal Consultant's Report with respect to the issuance of the Bonds (the "Report"); and

(iii) that in connection with the preparation of the Report, personnel of the Fiscal Consultant have participated in conferences with, among others, Agency staff, consultants, representatives, agents and counsel to the Agency, and as of the date of this Certificate, nothing has come to the attention of the Fiscal Consultant that would require any material changes in the data or affect the forecasts, assumptions and conclusions in the Report; and

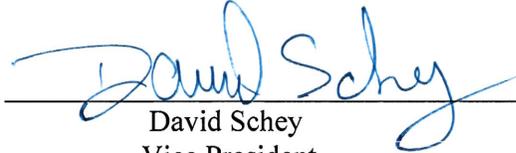
(iv) the Report sets forth the best estimate of the Fiscal Consultant with respect to the projections contained therein; and

(v) the Fiscal Consultant has consented to the delivery of the Report to the initial purchaser of the Bonds.

Date: September 28, 2017

**HdL COREN & CONE**

By: \_\_\_\_\_



David Schey  
Vice President



ATTORNEYS AT LAW

18101 Von Karman Avenue  
Suite 1800  
Irvine, CA 92612  
T 949.833.7800  
F 949.833.7878

Refer To File #: 502574-0001

September 28, 2017

Successor Agency to the Community Development Commission as the  
National City Redevelopment Agency  
1243 National City Boulevard  
National City, California 91950

Compass Mortgage Corporation  
999 18th Street, Suite 2800  
Denver, Colorado 80202  
Attention: Municipal Finance Group

The Bank of New York Mellon Trust Company, N.A.  
400 South Hope Street, Suite 500  
Los Angeles, California 90071

**Re: \$45,874,000 Successor Agency to the Community Development Commission  
as the National City Redevelopment Agency Tax Allocation Refunding  
Bonds, Series 2017A and \$2,669,000 Successor Agency to the Community  
Development Commission as the National City Redevelopment Agency  
Taxable Tax Allocation Refunding Bonds, Series 2017B**

Ladies and Gentlemen:

We have acted as Bond Counsel to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the "Agency") in connection with the sale, execution and delivery of \$45,874,000 principal amount of Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A (the "2017A Bonds") and the \$2,669,000 of principal amount Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017B (the "Taxable 2017B Bonds, and together with the 2017A Bonds, the "Bonds"). The Bonds are being issued pursuant to the Constitution and laws of the State of California (the "State"), including the provisions of the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code)

(together with California Assembly Bill No. 26 (First Extraordinary Session) (“AB1X 26”) and Assembly Bill No. 1484 (Chapter 26, Statutes 2012) (“AB 1484”), the “Law”) and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (collectively, the “Refunding Bond Law”), and an Indenture of Trust, dated as of September 1, 2017 (the “Indenture”), between the Agency and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”). The proceeds of the Bonds are being used to refinance certain obligations of the former Community Development Commission of the City of National City (the “Former Agency”). The Agency is obligated under the Indenture to pay principal of and interest on the Bonds solely from Pledged Tax Revenues (as defined in the Indenture). All capitalized terms not otherwise defined herein shall have the meaning given in the Indenture.

As Bond Counsel we have examined copies certified to us as being true and complete copies of the proceedings of the Agency and in connection with the authorization and sale of the Bonds. In this connection, we have also examined such other documents, opinions and instruments as we have deemed necessary in order to render the opinions expressed herein. In such examination, we have assumed the genuineness of all signatures on original documents (other than signatures of the Agency) and the conformity to the original documents of all copies submitted to us. We have also assumed the due execution and delivery of all documents (other than with respect to the Agency) which we have examined where due execution and delivery are a prerequisite to the effectiveness thereof. As to the various questions of fact material to our opinion, we have relied upon statements or certificates of officers and representatives of the Agency, public officials and others.

On the basis of the foregoing examination and assumptions and in reliance thereon and on all such other matters of fact as we deemed relevant under the circumstances, and upon consideration of the applicable law, we are of the opinion that:

1. The Indenture has been duly authorized, executed and delivered by the Agency and constitutes the valid and binding obligation of the Agency enforceable against the Agency in accordance with its terms. The Indenture creates a valid lien on and pledge of the Pledged Tax Revenues and other funds pledged thereby for the security of the Bonds, in accordance with the terms of the Indenture, on a parity with all additional parity obligations issued pursuant to the Indenture.

2. The Bonds have been duly authorized, executed and delivered by the Agency and are valid and binding special obligations of the Agency, payable solely from the sources provided therefor in the Indenture.

3. The obligation of the Agency to make payments on the Bonds does not constitute a debt of the Agency, or of the State of California or of any political subdivision thereof, within the meaning of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the Agency is obligated to levy or pledge any form of taxation or for which the Agency has levied or pledged any form of taxation.

4. Interest received by the owners of the 2017A Bonds is excludable under existing statutes, regulations, rulings and court decisions, from gross income for Federal income tax purposes pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the 2017A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that the interest is included in adjusted current earnings in calculating corporate alternative minimum taxable income. Interest received by the owners of the Bonds is exempt from personal income taxes of the State of California under present law.

In rendering the opinions expressed in paragraph 4 above, we are relying upon representations and covenants of the Agency in the Indenture and in the Tax Certificate of the Agency, dated as of the date hereof, concerning the use of the facilities refinanced with Bond proceeds, the investment and use of Bond proceeds and the rebate, if any, to the federal government of certain earnings thereon. In addition, we have assumed that all such representations are true and correct and that the Agency will comply with such covenants. We express no opinion with respect to the exclusion of the interest from gross income under Section 103(a) of the Code in the event that any such representations are untrue or the Agency fails to comply with such covenants. Except as stated above, we express no opinion as to any federal tax consequences of the receipt of interest on, or the ownership or disposition of, the Bonds.

Certain agreements, requirements and procedures contained or referred to in the Indenture, the Tax Certificate and other relevant documents may be changed, and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any payment of interest on the Bonds if any such change occurs or action is taken or omitted to be taken upon the advice or approval of counsel other than ourselves.

Further, we note that the rights of the owners of the Bonds and the enforceability of the Bonds or the Indenture may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities in the State of California. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the foregoing documents. Finally, we undertake no responsibility herein for the accuracy, completeness or fairness of disclosures made by the Agency to the Original Purchaser of the Bonds, and express no opinion with respect thereto.

Respectfully submitted,

A handwritten signature in black ink, followed by the initials "LLP". The signature is cursive and appears to be "N. Mason".

*Mayor*  
Ron Morrison

*Council Members*  
Albert Mendivil  
Alejandra Sotelo-Solis  
Mona Rios  
Jerry Cano



*City Attorney*  
Angil P. Morris-Jones

*Senior Assistant City Attorney*  
Nicole Pedone

*Deputy City Attorney*  
Roberto M. Contreras

September 28, 2017

Successor Agency to the Community Development  
Commission as the National City Redevelopment Agency  
1243 National City Boulevard  
National City, California 91950-4397

Compass Mortgage Corporation  
999 18th Street, Suite 2800  
Denver, Colorado 80202  
Attention: Municipal Finance Group

The Bank of New York Mellon Trust Company, N.A.  
400 South Hope Street, Suite 500  
Los Angeles, California 90071

U.S Bank National Association  
633 West Fifth Street, 24th Floor  
Los Angeles, CA 90071

**Re: \$45,874,000 Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A, \$2,669,000 Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017B, and \$2,669,000 Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017B (Private Activity-AMT)**

Ladies and Gentlemen:

We have served as general counsel to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the "Agency") in connection with, among other things, the issuance and delivery of the above-entitled bonds (the "Bonds"). All capitalized terms not otherwise defined herein shall have the meaning given in the Indenture of Trust, dated as of September 1, 2017 (the "Indenture"), between the Agency and The Bank of

New York Mellon Trust Company, N.A., as trustee (the “Trustee”), providing for the issuance and delivery of the Bonds.

In rendering the opinions set forth below we have examined executed originals or copies certified or otherwise identified to our satisfaction of the above-referenced documents, and such other documents, corporate records and other instruments as we have deemed necessary or appropriate as a basis for the opinions set forth below. As to any facts material to this opinion which we did not independently establish or verify, we have relied upon statements and representations of officers and other representatives of the Agency and others (including those set forth in the Closing and Delivery Costs Certificate of the Agency delivered on the date hereof). We have assumed the genuineness of all signatures by or on behalf of all parties to all documents referenced in this opinion (other than with respect to the Agency), the legal capacity of natural persons to deliver the certificates or documents referred to herein (other than with respect to the Agency), the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies, and the proper execution, delivery and/or filing of the documents referred to above (other than with respect to the Agency).

During the course of our discussions with officers and/or other representatives of the Agency and our review of the documents specified above in connection with the preparation of this opinion, no facts were disclosed to us which cause us to conclude that any statement or representation of the Agency set forth in the Indenture and other documents referenced above is untrue.

This opinion is furnished by us solely for your benefit, upon the understanding that we are not hereby assuming any professional responsibility to any other person whatsoever other than the addressees hereto. Our opinion herein is not to be used, circulated, quoted or otherwise referred to for any other purpose without express written permission; provided, however, a copy may be included in the transcript of the proceedings for the Bonds. Our opinion herein is limited to matters governed by the laws of the State of California, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

Based on and subject to the foregoing we are of the opinion that:

(i) The Agency is a public body, corporate and politic, duly organized and validly existing under, and by virtue of the laws of the State of California, as successor to the dissolved Community Development Commission of the City of National City (the “Commission”);

(ii) The Agency had and has good and right and lawful authority under the laws of the State to deliver the Indenture and to issue the Bonds;

(iii) Resolution No. 2017-91 of the Agency, adopted June 20, 2017 (the “Bond Resolution”), approving the issuance of the Bonds and approving and authorizing the execution and delivery of (i) the Indenture, (ii) the form of the Escrow Agreement prepared in connection with the previously-issued 2005 Tax Allocation Refunding Bonds (National City Redevelopment Project), Series B (the “2005 Series B Bonds”) and the previously-issued 2011 Tax Allocation

Bonds (National City Redevelopment Project) (the “2011 Bonds”), dated as of September 28, 2017 (the “2017A Escrow Agreement”), by and between the Agency and U.S Bank National Association (the “2017A Escrow Bank”), and (iii) the form of the Escrow Agreement prepared in connection with the previously issued 1999 Tax Allocation Housing Bonds (National City Downtown Redevelopment Project) (the “1999 Bonds,” and together with the 2005 Series B Bonds and the 2011 Bonds, the “Prior Obligations”), dated as of September 28, 2017 (the “2017B Escrow Agreement” and, with the Indenture and the 2017A Escrow Agreement, the “Agency Documents”), by and between the Agency and The Bank of New York Mellon Trust Company, N.A. (the “2017B Escrow Bank”), has been duly adopted at a meeting of the governing body of the Agency which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and such Bond Resolution is in full force and effect and has not been amended, modified or rescinded;

(iv) Except as otherwise disclosed to the Original Purchaser, to our actual current knowledge, no litigation or other proceedings are pending or threatened in any way or manner (1) restraining or enjoining, or seeking to restrain or enjoin, the sale, issuance, execution or delivery of any of the Bonds; (2) contesting or affecting the validity or enforceability of the Bonds, the Agency Documents, the pledge by the Agency of the Pledged Tax Revenues or other security provided under the Indenture, any proceedings of or on behalf of the Agency taken with respect to the sale, issuance, execution or delivery of the Bonds, the execution of the Agency Documents, or the existence or powers of the Agency relating to the issuance and delivery of the Bonds; (3) questioning (aa) the proceedings or authority for the authorization, sale, execution, registration, issuance or delivery of the Bonds; (bb) any provision made or authorized for the payment of the Bonds; or (cc) the organization or corporate existence or operations of the Agency, or the title of its officers to their respective offices; or (4) which would have a material adverse effect upon the Agency relating to the Bonds, to the contemplated use of the proceeds thereof or the transactions contemplated by the Agency Documents; and

(v) The execution of the Agency Documents, the delivery of the Bonds and compliance with the provisions and covenants thereof will not conflict with or constitute a material breach of or material default under any contract to which the Agency is a party or a material violation of any existing law or administrative regulation that in our experience is typically applicable to transactions of the nature contemplated by the Agency Documents, or any court decree, resolution or agreement known to us to be binding on the Agency, which conflict, breach, or default has or may have a material adverse effect on the ability of the Agency to perform its obligations under the Agency Documents.

Very truly yours,

  
ANGIL P. MORRIS-JONES  
General Counsel



ATTORNEYS AT LAW

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Irvine, CA 92612  
T 949.833.7800  
F 949.833.7878

Refer To File #: 502574-0001

September 28, 2017

Successor Agency to the Community Development Commission as the  
National City Redevelopment Agency  
1243 National City Boulevard  
National City, California 91950

Compass Mortgage Corporation  
999 18th Street, Suite 2800  
Denver, Colorado 80202  
Attention: Municipal Finance Group

The Bank of New York Mellon Trust Company, N.A.  
400 South Hope Street, Suite 500  
Los Angeles, California 90071

**Re: Community Development Commission of the City of National City 1999 Tax  
Allocation Housing Bonds (National City Downtown Redevelopment Project)**

Ladies and Gentlemen:

We have acted as Bond Counsel to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the "Agency") in connection with the sale and issuance of \$2,669,000 principal amount of Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017B (the "Bonds"). The Bonds are being issued pursuant to and an Indenture of Trust, dated as of September 1, 2017 (the "Indenture"), between the Agency and The Bank of New York Mellon Trust Company, N.A. (the "Trustee").

A portion of the proceeds of the Bonds are being used, together with certain funds held with respect to the Prior Obligations (defined below), to refinance the Community Development Commission of the City of National City 1999 Tax Allocation Housing Bonds (National City Downtown Redevelopment Project) previously issued in the aggregate principal amount of \$5,050,000 (the "Prior Obligations"), of which \$2,910,000 is currently outstanding, and which were issued pursuant to an Indenture of Trust by and between the Community Development

Commission of the City of National City (the "Commission") and U.S. Bank Trust National Association, as predecessor trustee to The Bank of New York Mellon Trust Company, N.A., dated as of March 1, 1998 (the "Original Indenture"), and a First Supplement To Indenture of Trust by and between the Commission and the Trustee dated as of March 1, 1999 (the "First Supplement", and together with the Original Indenture, the "Prior Obligations Indenture").

All capitalized terms used herein and not otherwise defined shall have the same meanings assigned to them in the Prior Obligations Indenture, as such has been supplemented and amended from time to time.

As Bond Counsel we have examined copies certified to us as being true and complete copies of the proceedings of the Agency and in connection with the authorization and sale of the Bonds. In this connection, we have also examined such other documents, opinions and instruments as we have deemed necessary in order to render the opinions expressed herein. In such examination, we have assumed the genuineness of all signatures on original documents (other than signatures of the Agency) and the conformity to the original documents of all copies submitted to us. We have also assumed the due execution and delivery of all documents (other than with respect to the Agency) which we have examined where due execution and delivery are a prerequisite to the effectiveness thereof. As to the various questions of fact material to our opinion, we have relied upon statements or certificates of officers and representatives of the Agency, public officials and others.

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, that upon the deposit into the subaccounts of the Escrow Fund as described in and established under the Escrow Agreement prepared in connection with the Prior Obligations, dated as of September 28, 2017 (the "Escrow Agreement"), between the Agency and The Bank of New York Mellon Trust Company, N.A., acting in its capacity as escrow bank for the Prior Obligations, the Prior Obligations will no longer be considered Outstanding within the meaning of the Prior Obligations Indenture, as such has been supplemented and amended from time to time.

This opinion is furnished by us solely for your benefit and solely with respect to the issuance and delivery of the Bonds, upon the understanding, as we have advised you, and as you have agreed, that we are not hereby assuming any professional responsibility to any other person whatsoever. Our opinion herein is not to be used, circulated, quoted or otherwise referred to for any other purpose without our express written permission. This opinion is not intended to, and may not, be relied upon by the Bond Owners or any other party to whom it is not specifically addressed.

Respectfully submitted,

A handwritten signature in black ink that reads "Nason LLP". The signature is written in a cursive, flowing style.



BNY MELLON

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

September 28, 2017

Successor Agency to the Community Development Commission  
as the National City Redevelopment Agency  
National City, California

Re: Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017A, Successor Agency to the Community Development Commission as the National City Redevelopment Agency Taxable Tax Allocation Refunding Bonds, Series 2017B and Successor Agency to the Community Development Commission as the National City Redevelopment Agency Tax Allocation Refunding Bonds, Series 2017B (Private Activity-AMT)

Ladies and Gentlemen:

I am a Managing Counsel in the Legal Department of The Bank of New York Mellon Trust Company, N.A. ("BNY Mellon") and I am delivering this opinion in connection with the execution and delivery of (i) that certain Indenture of Trust dated as of September 1, 2017 (the "Indenture"), between Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the "Successor Agency") and BNY Mellon, as trustee, and (ii) that certain Escrow Agreement Relating to the Community Development Commission of the City of National City 1999 Tax Allocation Housing Bonds (National City Downtown Redevelopment Project) dated as of September 28, 2017 (together with the Indenture, the "Agreements", and each individually, an "Agreement"), between the Successor Agency and BNY Mellon, as escrow bank, and accepted by BNY Mellon as Prior Bonds Trustee. All capitalized terms used herein not otherwise defined shall be as defined in the Agreements.

In rendering the opinions set forth below, I have examined the originals, or copies certified to my satisfaction, of such agreements (including, without limitation, the Agreements), certificates and other statements of government officials and corporate officers of BNY Mellon, documents and other papers as I deemed relevant and necessary as a basis for such opinion and have relied as to factual matters on representations, warranties and other statements therein. With respect to parties other than BNY Mellon, in such examination, I have assumed the authenticity of all documents submitted to me as originals, the genuineness of all signatures, the legal capacity of natural persons and the conformity to the originals of all documents submitted to me as copies. In my examination of documents (including, without limitation, the

Agreements) executed by parties other than BNY Mellon, I have also assumed that, if the opinions set forth in paragraphs (1) through (4) below referred to such parties and such documents, such opinions would be true and correct with respect to such parties and such documents.

The opinions expressed herein are limited to the laws of the State of California and the Federal law of the United States, and I do not express any opinion herein concerning any other law.

Based upon the foregoing, I am of the opinion that:

(1) BNY Mellon is a national banking association duly organized and validly existing under the laws of the jurisdiction of its organization and has the corporate power to execute and deliver the Agreements, and any other documentation relating to the Agreements, and to perform its obligations under the Agreements.

(2) The execution and delivery by BNY Mellon of the Agreements and any other documentation relating to the Agreements, and its performance of its obligations under the Agreements, have been and are as of the date hereof duly authorized by all necessary corporate action.

(3) No approval, authorization or other action by, or filing with, any governmental body or regulatory authority (which has not been obtained) is required in connection with the due execution, delivery and performance by BNY Mellon of the Agreements.

(4) The Agreements have been duly executed and delivered by BNY Mellon and constitute the valid and legally binding obligations of BNY Mellon enforceable against it in accordance with their terms except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought as a proceeding in equity or at law).

My opinions are subject to the following assumptions and qualifications:

I express no opinion as to (a) any transactions not specifically referred to herein; (b) any provision of the Agreements to the extent it provides that a party is entitled to recover more than its actual damages under such Agreement; (c) any right, remedy or provision of the Agreements (including without limitation any termination payment provisions thereof) which, if determined to be a penalty, a court or other authority or body may have the discretion to invalidate or decline to enforce; (d) the enforcement of rights with respect to indemnification and contribution obligations; (e) any provision relating to severability; (f) any provision purporting to waive or limit rights to trial by jury, oral amendments to written agreements or rights of set-off; (g) any provision relating to submission to jurisdiction, venue or service of process; (h) any provision purporting to prohibit, restrict or require the consent of the other party for the transfer of, or the creation, attachment or perfection of a security interest in, an Agreement or an interest therein, which may be limited by applicable law or considerations of public policy; (i) any provision that provides that the rights of the parties to an Agreement may not be assigned by a party without the prior written consent of the other party or parties, which may be limited by the Uniform Commercial Code; (j) the tax consequences of any transaction under the Agreements; (k) any Federal securities laws, pension and employee benefit laws (e.g., ERISA), anti-money laundering

laws, trading with the enemy laws, or other laws of special or general application not normally covered in an opinion on capacity and enforceability, in accordance with market practice; or (1) the priority, perfection, attachment or validity of any security interest created under the Agreements or the enforcement of remedies in connection therewith.

**[Signature Page Follows]**

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This opinion is based upon facts and law in existence on the date hereof and I disclaim any obligation to advise you of any changes therein occurring after the date hereof. This opinion is given for the use and benefit of the addressee and no other party or entity is entitled to rely on it.

Very truly yours,



Rhea L. Ricard  
Managing Counsel

September 28, 2017

Successor Agency to the Community Development Commission as the  
National City Redevelopment Agency  
National City, California

Compass Mortgage Corporation  
Denver, Colorado

Re: Community Development Commission of the City of National City  
(National City Redevelopment Project) (i) 2005 Tax Allocation Refunding  
Bonds, Series B and (ii) 2011 Tax Allocation Refunding Bonds

Ladies and Gentlemen:

We have acted as counsel for U.S. Bank National Association, a national banking association (the “Bank”), in connection with the Escrow Agreement, dated as of September 28, 2017 (the “Escrow Agreement”), by and between the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the “Successor Agency”) and the Bank, as escrow agent related to the Prior Bonds (as such term is defined in the Escrow Agreement). We are generally familiar with the Articles of Association and the Bylaws of the Bank and are also familiar with the corporate proceedings of the Bank with regard to its authorization, execution and delivery of the Escrow Agreement. Capitalized terms used herein shall have the respective meanings ascribed to them in the Escrow Agreement, except as otherwise defined herein.

We have examined such documents and reviewed such questions of law as we have considered necessary and appropriate for purposes of this opinion. In such review, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity with originals of all documents submitted to us as copies. Where questions of fact material to our opinions expressed below were not established independently, we have relied upon statements of officers of the Bank as contained in certificates of officers of the Bank. Based upon the foregoing, we are of the opinion that:

1. The Bank is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America.
2. The Bank has all requisite power, authority and legal right to execute and deliver the Escrow Agreement and has authorized the execution and delivery of the Escrow Agreement and the performance of its obligations under the Escrow Agreement.
3. The Bank has duly authorized, executed and delivered the Escrow Agreement. Assuming the due authorization, execution and delivery thereof by the Successor

Agency, the Escrow Agreement is the legal, valid and binding agreement of the Bank, enforceable in accordance with its terms against the Bank.

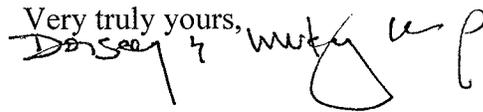
The opinions set forth above are subject to the following qualifications and exceptions:

(a) the opinions are subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application affecting creditors' rights; and

(b) the opinions are subject to the effect of general principles of equity, including (without limitation) concepts of materiality, reasonableness, good faith and fair dealing, and other similar doctrines affecting the enforceability of agreements generally (regardless of whether considered in a proceeding in equity or at law).

Our opinions expressed above are limited to the laws of the State of California and the federal laws of the United States of America.

The foregoing opinions are being furnished to you solely for your benefit and may not be relied upon by, nor may copies be delivered to, any other person without our prior written consent.

Very truly yours,  


**Information Return for Tax-Exempt  
 Private Activity Bond Issues**  
 (Under Internal Revenue Code section 149(e))  
 ▶ See separate instructions.

<b>Part I Reporting Authority</b>		Check if Amended Return <input type="checkbox"/>
1 Issuer's name <u>Successor Agency to the Comm. Devel. Commission as the National City Red. Agency</u>		2 Issuer's employer identification number <u>82-2836648</u>
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)
<u>1243 National City Blvd.</u>		<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
6 City, town, or post office, state, and ZIP code <u>National City, CA 91950</u>		7 Date of issue (MM/DD/YYYY) <u>11/03/2017</u>
8 Name of issue <u>Tax Allocation Refunding Bonds, Series 2017B</u>		9 CUSIP number <u>na</u>
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information		10b Telephone number of officer or other employee shown on 10a

Part II Type of Issue (Enter the issue price.)	Issue Price
<b>11</b> Exempt facility bond:	
<b>a</b> Airport (sections 142(a)(1) and 142(c)) . . . . .	<b>11a</b>
<b>b</b> Docks and wharves (sections 142(a)(2) and 142(c)) . . . . .	<b>11b</b>
<b>c</b> Water furnishing facilities (sections 142(a)(4) and 142(e)) . . . . .	<b>11c</b>
<b>d</b> Sewage facilities (section 142(a)(5)) . . . . .	<b>11d</b>
<b>e</b> Solid waste disposal facilities (section 142(a)(6)) . . . . .	<b>11e</b>
<b>f</b> Qualified residential rental projects (sections 142(a)(7) and 142(d)) (see instructions) . . . . .	<b>11f</b> <u>2,669,000.00</u>
Meeting 20–50 test (section 142(d)(1)(A)) . . . . . <input checked="" type="checkbox"/>	
Meeting 40–60 test (section 142(d)(1)(B)) . . . . . <input type="checkbox"/>	
Meeting 25–60 test (NYC only) (section 142(d)(6)) . . . . . <input type="checkbox"/>	
Has an election been made for deep rent skewing (section 142(d)(4)(B))? . . . <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>g</b> Facilities for the local furnishing of electric energy or gas (sections 142(a)(8) and 142(f)) . . . . .	<b>11g</b>
<b>h</b> Facilities allowed under a transitional rule of the Tax Reform Act of 1986 (see instructions) . . . . .	<b>11h</b>
Facility type _____	
1986 Act section _____	
<b>i</b> Qualified enterprise zone facility bonds (section 1394) (see instructions) . . . . .	<b>11i</b>
<b>j</b> Qualified empowerment zone facility bonds (section 1394(f)) (see instructions) . . . . .	<b>11j</b>
<b>k</b> District of Columbia Enterprise Zone facility bonds (section 1400A) . . . . .	<b>11k</b>
<b>l</b> Qualified public educational facility bonds (sections 142(a)(13) and 142(k)) . . . . .	<b>11l</b>
<b>m</b> Qualified green building and sustainable design projects (sections 142(a)(14) and 142(l)) . . . . .	<b>11m</b>
<b>n</b> Qualified highway or surface freight transfer facilities (sections 142(a)(15) and 142(m)) . . . . .	<b>11n</b>
<b>o</b> Other (see instructions) _____	
<b>p</b> Qualified New York Liberty Zone bonds (section 1400L(d)) _____	<b>11p</b>
<b>q</b> Other (see instructions) _____	<b>11q</b>
<b>12a</b> Qualified mortgage bond (section 143(a)) . . . . .	<b>12a</b>
<b>b</b> Other (see instructions) _____	<b>12b</b>
<b>13</b> Qualified veterans' mortgage bond (section 143(b)) (see instructions) . . . . . ▶	<b>13</b>
Check the box if you elect to rebate arbitrage profits to the United States . . . . . <input type="checkbox"/>	
<b>14</b> Qualified small issue bond (section 144(a)) (see instructions) . . . . . ▶	<b>14</b>
Check the box for \$10 million small issue exemption . . . . . <input type="checkbox"/>	
<b>15</b> Qualified student loan bond (section 144(b)) . . . . .	<b>15</b>
<b>16</b> Qualified redevelopment bond (section 144(c)) . . . . .	<b>16</b>
<b>17</b> Qualified hospital bond (section 145(c)) (attach schedule—see instructions) . . . . .	<b>17</b>
<b>18</b> Qualified 501(c)(3) nonhospital bond (section 145(b)) (attach schedule—see instructions) . . . . .	<b>18</b>
Check box if 95% or more of net proceeds will be used <b>only</b> for capital expenditures . . . . . ▶ <input type="checkbox"/>	
<b>19</b> Nongovernmental output property bond (treated as private activity bond) (section 141(d)) . . . . .	<b>19</b>
<b>20a</b> Other (see instructions) _____	
<b>b</b> New York Liberty Zone advance refunding bond (section 1400L(e)) (see instructions) _____	<b>20b</b>
<b>c</b> Other. Describe (see instructions) ▶ _____	<b>20c</b>

**Part III Description of Bonds** (Complete for the entire issue for which this form is being filed.)

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
<b>21</b>	08/01/2029	\$ 2,669,000.00	\$ 2,669,000.00	6.5193 years	2.484206 %

**Part IV Uses of Proceeds of Issue** (including underwriters' discount)

	Amount
<b>22</b> Proceeds used for accrued interest	<b>22</b> 0
<b>23</b> Issue price of entire issue (enter amount from line 21, column (b))	<b>23</b> 2,669,000.00
<b>24</b> Proceeds used for bond issuance costs (including underwriters' discount)	<b>24</b> 30,793.03
<b>25</b> Proceeds used for credit enhancement	<b>25</b> 0
<b>26</b> Proceeds allocated to reasonably required reserve or replacement fund	<b>26</b> 0
<b>27</b> Proceeds used to currently refund prior issue (complete Part VI)	<b>27</b> 263206.97
<b>28</b> Proceeds used to advance refund prior issue (complete Part VI)	<b>28</b> 0
<b>29</b> Add lines 24 through 28	<b>29</b> 2,669,000.00
<b>30</b> Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	<b>30</b> 0

**Part V Description of Property Financed by Nonrefunding Proceeds**

**Caution:** The total of lines 31a through e below must equal line 30 above. Do not complete for qualified student loan bonds, qualified mortgage bonds, or qualified veterans' mortgage bonds.

	Amount
<b>31 Type of Property Financed by Nonrefunding Proceeds:</b>	
<b>a</b> Land	<b>31a</b>
<b>b</b> Buildings and structures	<b>31b</b>
<b>c</b> Equipment with recovery period of more than 5 years	<b>31c</b>
<b>d</b> Equipment with recovery period of 5 years or less	<b>31d</b>
<b>e</b> Other. Describe (see instructions)	<b>31e</b>

**32 North American Industry Classification System (NAICS) of the projects financed by nonrefunding proceeds.**

	NAICS Code	Amount of nonrefunding proceeds		NAICS Code	Amount of nonrefunding proceeds
<b>a</b>		\$	<b>c</b>		\$
<b>b</b>		\$	<b>d</b>		\$

**Part VI Description of Refunded Bonds** (Complete this part only for refunding bonds.)

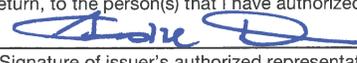
<b>33</b> Enter the remaining weighted average maturity of the bonds to be currently refunded	6.943	years
<b>34</b> Enter the remaining weighted average maturity of the bonds to be advance refunded	0	years
<b>35</b> Enter the last date on which the refunded bonds will be called	02 / 01 / 2018	
<b>36</b> Enter the date(s) the refunded bonds were issued	03/03/1999	

**Part VII Miscellaneous**

- 37** Name of governmental unit(s) approving issue (see the instructions) **▶** No approval needed under section 147(f)(2)(D)
- 38** Check the box if you have designated any issue under section 265(b)(3)(B)(i)(III) **▶**
- 39** Check the box if you have elected to pay a penalty in lieu of arbitrage rebate **▶**
- 40a** Check the box if you have identified a hedge and enter the following information **▶**
- b** Name of hedge provider \_\_\_\_\_
- c** Type of hedge **▶** \_\_\_\_\_
- d** Term of hedge **▶** \_\_\_\_\_
- 41** Check the box if the hedge is superintegrated **▶**
- 42a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) **▶** \_\_\_\_\_
- b** Enter the final maturity date of the GIC **▶** / /
- c** Enter the name of the GIC provider **▶** \_\_\_\_\_
- 43** Check the box if the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated in accordance with the requirements under the Code and Regulations (see instructions) **▶**
- 44** Check the box if the issuer has established written procedures to monitor the requirements of section 148 **▶**
- 45a** Enter the amount of reimbursement if some portion of the proceeds was used to reimburse expenditures **▶** \_\_\_\_\_
- b** Enter the date the official intent was adopted **▶** / /
- 46** Check the box if the issue is comprised of qualified redevelopment, qualified small issue, or exempt facilities bonds and provide name and EIN of the primary private user **▶**
- Name **▶** \_\_\_\_\_ EIN \_\_\_\_\_

<b>Part VIII Volume Caps</b>		Amount
<b>47</b>	Amount of state volume cap allocated to the issuer. <b>Attach copy of state certification</b> . . . . .	<b>47</b> 0
<b>48</b>	Amount of issue subject to the unified state volume cap . . . . .	<b>48</b> 0
<b>49</b>	Amount of issue not subject to the unified state volume cap or other volume limitations:	<b>49</b> 2,669,000
<b>a</b>	Of bonds for governmentally owned solid waste facilities, airports, docks, wharves, environmental enhancements of hydroelectric generating facilities, or high-speed intercity rail facilities . . . . .	<b>49a</b> 0
<b>b</b>	Under a carryforward election. Attach a copy of Form 8328 to this return . . . . .	<b>49b</b> 0
<b>c</b>	Under transitional rules of the Tax Reform Act of 1986. Enter Act section ▶ _____	<b>49c</b> 0
<b>d</b>	Under the exception for current refunding (section 146(i) and section 1313(a) of the Tax Reform Act of 1986)	<b>49d</b> 2,669,000
<b>50a</b>	Amount of issue of qualified veterans' mortgage bonds . . . . .	<b>50a</b> 0
<b>b</b>	Enter the state limit on qualified veterans' mortgage bonds . . . . .	<b>50b</b> 0
<b>51a</b>	Amount of section 1394(f) volume cap allocated to issuer. <b>Attach copy of local government certification</b>	<b>51a</b> 0
<b>b</b>	Name of empowerment zone ▶ _____	
<b>52</b>	Amount of section 142(k)(5) volume cap allocated to issuer. <b>Attach copy of state certification</b>	<b>52</b> 0

**Signature and Consent** Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person(s) that I have authorized above.


9/26/17
Leslie Deese City Manager  
 Signature of issuer's authorized representative Date Type or print name and title *Executive Direct*

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input checked="" type="checkbox"/> if self-employed	Preparer's PTIN
	<b>Perry Israel</b>				<b>P01077406</b>
	Firm's name ▶ <b>Law Office of Perry Israel</b>	Firm's EIN ▶ <b>20-8342253</b>			
	Firm's address ▶ <b>525 Morse Ave., Ste. 201, Sacramento CA 95864</b>	Phone no. <b>916-485-6645</b>			

**Information Return for Tax-Exempt Governmental Obligations**

► Under Internal Revenue Code section 149(e)  
 ► See separate instructions.  
**Caution:** If the issue price is under \$100,000, use Form 8038-GC.

<b>Part I Reporting Authority</b>		If Amended Return, check here <input type="checkbox"/>
1 Issuer's name <u>Successor Agency to the Comm. Devel. Commission as the National City Red. Agency</u>		2 Issuer's employer identification number (EIN)
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)
<u>1243 National City Blvd.</u>		3
6 City, town, or post office, state, and ZIP code <u>National City, CA 91950</u>		7 Date of issue <u>09/28/2017</u>
8 Name of issue <u>Tax Allocation Refunding Bonds, Series 2017A</u>		9 CUSIP number <u>na</u>
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)		10b Telephone number of officer or other employee shown on 10a

<b>Part II Type of Issue (enter the issue price).</b> See the instructions and attach schedule.		
11 Education . . . . .		
12 Health and hospital . . . . .		
13 Transportation . . . . .		
14 Public safety . . . . .		
15 Environment (including sewage bonds) . . . . .		
16 Housing . . . . .		
17 Utilities . . . . .		
18 Other. Describe ► <u>Community Development</u>	45,874,000	00
19 If obligations are TANs or RANs, check only box 19a . . . . .	<input type="checkbox"/>	
If obligations are BANs, check only box 19b . . . . .	<input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box . . . . .	<input type="checkbox"/>	

<b>Part III Description of Obligations.</b> Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	<u>09/01/2032</u>	\$ <u>45,874,000.00</u>	\$ <u>45,874,000.00</u>	7.955 years	2.484116 %

<b>Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)</b>					
22	Proceeds used for accrued interest . . . . .				0
23	Issue price of entire issue (enter amount from line 21, column (b)) . . . . .				45,874,000 00
24	Proceeds used for bond issuance costs (including underwriters' discount) . . . . .		270,156	46	
25	Proceeds used for credit enhancement . . . . .		0		
26	Proceeds allocated to reasonably required reserve or replacement fund . . . . .		0		
27	Proceeds used to currently refund prior issues . . . . .		8,070,340	39	
28	Proceeds used to advance refund prior issues . . . . .		37,533,503	15	
29	Total (add lines 24 through 28) . . . . .				45,874,000 00
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here) . . . . .				0

<b>Part V Description of Refunded Bonds.</b> Complete this part only for refunding bonds.		
31	Enter the remaining weighted average maturity of the bonds to be currently refunded . . . . .	<u>6.05578</u> years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded . . . . .	<u>9.25960</u> years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) . . . . .	<u>10/30/2017;8/1/2021</u>
34	Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)	<u>1/25/2015;3/3/2011</u>

**Part VI Miscellaneous**

<b>35</b>	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . . . .	<b>35</b>	<b>0</b>
<b>36a</b>	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) . . . . .	<b>36a</b>	<b>0</b>
<b>b</b>	Enter the final maturity date of the GIC ▶ _____		
<b>c</b>	Enter the name of the GIC provider ▶ _____		
<b>37</b>	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units . . . . .	<b>37</b>	<b>0</b>
<b>38a</b>	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
<b>b</b>	Enter the date of the master pool obligation ▶ _____		
<b>c</b>	Enter the EIN of the issuer of the master pool obligation ▶ _____		
<b>d</b>	Enter the name of the issuer of the master pool obligation ▶ _____		
<b>39</b>	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box . . . . .		<input type="checkbox"/>
<b>40</b>	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . .		<input type="checkbox"/>
<b>41a</b>	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
<b>b</b>	Name of hedge provider ▶ _____		
<b>c</b>	Type of hedge ▶ _____		
<b>d</b>	Term of hedge ▶ _____		
<b>42</b>	If the issuer has superintegrated the hedge, check box . . . . .		<input type="checkbox"/>
<b>43</b>	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box . . . . .		<input type="checkbox"/>
<b>44</b>	If the issuer has established written procedures to monitor the requirements of section 148, check box . . . . .		<input type="checkbox"/>
<b>45a</b>	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement . . . . . ▶ _____		
<b>b</b>	Enter the date the official intent was adopted ▶ _____		

**Signature and Consent**

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.


9/25/17
Leslie Doose, *City Manager Executive Director*

Signature of issuer's authorized representative      Date      Type or print name and title

<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>Perry Israel</b>	Preparer's signature	Date	Check <input checked="" type="checkbox"/> if self-employed	PTIN <b>P01077406</b>
	Firm's name ▶ <b>Law Office of Perry Israel</b>			Firm's EIN ▶ <b>20-8342253</b>	
	Firm's address ▶ <b>525 Morse Ave., Ste. 201, Sacramento CA 95864</b>			Phone no. <b>916-485-6645</b>	

**REPORT OF PROPOSED DEBT ISSUANCE**

California Debt and Investment Advisory Commission  
915 Capitol Mall, Room 400, Sacramento, CA 95814  
P.O. Box 942809, Sacramento, CA 94209-0001  
Tel: (916) 653-3269 Fax: (916) 654-7440

Submitted: Friday, August 25, 2017  
9:38:39AM

Your completion and submittal of this on-line form assures your compliance with existing California State law and will assist in the maintenance of a complete database of public debt in California. Thank you for your cooperation. <sup>1</sup>

**ISSUER NAME:** Successor Agency to the Community Development Commission as the National City Redevelopment Agency

**ISSUE NAME:** Tax Allocation Refunding Bonds, Series 2017A and Series 2017B

**PROJECT NAME:**

**PROPOSED SALE DATE:** 9/29/2017

**PRINCIPAL TO BE SOLD:** \$49,110,000.00

WILL A VALIDATION ACTION BE PURSUED:  No  Yes  Unknown

IS DEBT REPAYABLE IN NON-US CURRENCY:  No  Yes  Unknown

IF VOTER APPROVED GENERAL OBLIGATION, ELECTION DATE: MEASURE:

VOTER AUTHORIZED AMOUNT: VOTER AUTHORIZATION REDUCED BY THIS ISSUE:

STATUTORY CODE UNDER WHICH THIS DEBT WILL BE ISSUED (1):

Redevelopment Law

STATUTORY CODE UNDER WHICH THIS DEBT WILL BE ISSUED (2) (If necessary):

Refunding Bond Law - Local Agencies

IS ANY PORTION OF THE DEBT TO REFUND? <sup>2</sup>

No  Yes --- Amount proposed for refunding \$49,110,000.00

IS ANY PORTION OF THE DEBT TO REDEEM, PAYDOWN, OR REFINANCE OUTSTANDING DEBT?

No  Yes --- Amount proposed for redemption, paydown, or refinancing \$0.00

**Issuer Contact**

Name: Mark Roberts  
Title: Director of Finance  
Address: 1243 National City Boulevard  
City: National City, CA 91950  
Phone: 619 3364330

E-Mail: mroberts@nationalcityca.gov

ISSUER LOCATED IN San Diego COUNTY

**Filing Contact**

Name of Individual representing Bond Counsel  
Name: Albert R. Reyes  
Firm/ Agency: Nossaman LLP  
Address: 18101 Von Karman Ave Suite 1800  
City: Irvine, CA 92612  
Phone: 949 4777612

who completed this form and maybe contacted for information:

E-Mail: areyes@nossaman.com

Send acknowledgement to: Katherine Thursby

E-Mail: kthursby@nossaman.com

**FINANCING PARTICIPANTS**

BOND COUNSEL: Nossaman LLP  
BORROWER COUNSEL (LOAN) (Not Obligor Counsel): Stradling Yocca Carlson & Rauth, P.C.  
FINANCIAL ADVISOR: NHA Advisors, LLC  
UNDERWRITER:  
DISCLOSURE COUNSEL:  
PURCHASER: Compass Mortgage Corporation  
LENDER:

**IS THE INTEREST ON THE DEBT TAXABLE?**

Under State Law:  YES (taxable)  NO (tax-exempt)

Under Federal Law:  YES (taxable)  NO (tax-exempt)

If the issue is federally tax-exempt, is interest a specific preference item for the purpose of alternative minimum tax?

YES, preference item  NO, not a preference item

**TYPE OF SALE**  Competitive  Negotiated

**IS THIS FINANCING A PRIVATE PLACEMENT?**  No  Yes

**ISSUER CERTIFIES THAT IT HAS COMPLIED WITH GC SECTION 8855 (I) WITH RESPECT TO LOCAL DEBT POLICIES:**  No  Yes  N/A

**TYPE OF DEBT INSTRUMENT**

**NOTE**

- Bond anticipation (BAN)
- Grant anticipation (GAN)
- Loan from bank / other institution (LOAN)
- Other note (Please specify below.) (OTHN)
- Revenue anticipation (RAN)
- Tax allocation (TALN)
- Tax and revenue anticipation (TRAN)
- Tax anticipation (TAN)
- Marks-Roos Authority Loan (MKRL)
- Commercial paper (CP)
- Conduit Revenue Note (Private Obligor) (CRN)
- Certificates of Participation (COPL)
- Capital Lease (CL)
- State Agency Loan (STAL)
- Other (Please specify below.) (OTH)

**Bond**

- Conduit revenue (CRB)
- General obligation (GOB)
- Limited tax obligation (LTOB)
- Other bond (Please specify below.) (OTHB)
- Pension Obligation (POB)
- Public lease revenue (PLRB)
- Rate Reduction (GC 6588.7) (RRB)
- Revenue (RB)
- Revenue (Public enterprise) (PERB)
- Sales tax revenue (STRB)
- Special assessment (SAB)
- Tax allocation (TAB)

Please specify if "Other Note/ Other Bond/ Other" was checked.

**SOURCE(S) OF REPAYMENT**

- Bond proceeds (BDPR)
- General fund of issuing jurisdiction (GNFD)
- Grants (GRNT)
- Intergovernmental transfers other than grants (ITGV)
- Local obligor (LOB)
- Private obligor payments (POP)
- Other (OTHS)
- Property tax revenues (PRTX)
- Public enterprise revenues (PER)
- Sales tax revenues (SATR)
- Special assessments (SA)
- Special tax revenues (SPTR)
- Tax-increment (TI)
- Utility Project Charges (UPC)

Please specify if "Other" was checked.

**PURPOSE(S) OF FINANCING**

**Percent**

Showing 1st 5:

RD 100

Please specify type/name of project if different from above.

1 Section 8855(i) of the California Government Code requires the issuer of any proposed new public debt issue to give written notice of the proposed sale to CDIAC no later than 30 days prior to the sale. Under California Government Code Section 8855(j), the issuer of any debt issue shall, not later than 21 days after the sale of the debt, submit a report of final sale and the official statement (or alternate financing documents) to the Commission. The Commission may require information to be submitted in the report that it considers appropriate.

2 Section 53583(c)(2)(B) of the California Government Code requires that any local agency selling refunding bonds at private sale or on a negotiated basis shall send a written statement, within two weeks after the bonds are sold, to CDIAC explaining the reasons why the local agency determined to sell the bonds at private sale or on a negotiated basis instead of at public sale.

3 In accordance with 8855(i) of the California Government code.

**REPORT OF FINAL SALE**

California Debt and Investment Advisory Commission  
915 Capitol Mall, Room 400, Sacramento, CA 95814  
P.O. Box 942809, Sacramento, CA 94209-0001  
Tel: (916) 653-3269 Fax: (916) 654-7440

Submitted: Wednesday, September 27, 2017  
3:01:29PM

CDIAC # 2017-2359

Under California Government Code Section 8855(j), the issuer of any debt issue shall, not later than 21 days after the sale of the debt, submit a report of final sale and the official statement (or alternate financing documents) to the Commission. The Commission may require information to be submitted in the report that it considers appropriate.

**ISSUER NAME** Successor Agency to the Community Development Commission as the National City Redevelopment Agency  
(if pool bond, list participants)

**ISSUE NAME** Tax Allocation Refunding Bonds, Series 2017A, Taxable Series 2017B, and Series 2017B (Private Activity-AMT)

**PROJECT NAME**

**WILL A VALIDATION ACTION BE PURSUED**  No  Yes  Unknown

**IS DEBT REPAYABLE IN NON-US CURRENCY**  No  Yes  Unknown

**IF VOTER APPROVED GENERAL OBLIGATION, ELECTION DATE**

**MEASURE**

**VOTER AUTHORIZED AMOUNT** \$0.00 **VOTER AUTHORIZATION REDUCED BY THIS ISSUE** \$0.00

**STATUTORY CODE UNDER WHICH THIS DEBT WILL BE ISSUED (1)**

Redevelopment Law

**STATUTORY CODE UNDER WHICH THIS DEBT WILL BE ISSUED (2) (if necessary)**

Refunding Bond Law - Local Agencies

**ACTUAL SALE DATE (Date Debt Contract Signed):** 9/28/2017

**PRINCIPAL SOLD:** \$48,543,000.00

**Dated Date (Date Interest Begins to Accrue):** 9/28/2017

**Settlement Date (Date assets or rights to use are transferred)** 9/28/2017

**IS ANY PORTION OF THE DEBT FOR REFUNDING?<sup>1</sup>**

No  Yes, refunding amount (including costs) \$48,543,000.00

**IS ANY PORTION OF THE DEBT TO REFUND, REDEEM, PAYDOWN, or REFINANCE OUTSTANDING DEBT?**

No  Yes, amount proposed for refunding, redemption, paydown, or refinancing of outstanding debt \$0.00

**Issuer Contact :**

Name : Mark Roberts  
Title : Finance Director  
Address : 1243 National City Boulevard  
City/ State/ Zip National City, CA 91950  
Phone: (619) 336-4330  
E-Mail : mroberts@NationalCityCA.gov

**ISSUER LOCATED IN** San Diego **COUNTY**

**Filing Contact:** Name of Individual representing Bond Counsel who completed this form and may be contacted for information.

Name : Albert R. Reyes  
Firm/ Agency : Nossaman LLP  
Address : 18101 Von Karman Avenue Suite 1800  
City/ State/ Zip Irvine, CA 92612  
Phone: (949) 477-7612  
E-Mail : areyes@nossaman.com  
Send acknowledgement/ copies to : Katherine Thursby  
E-Mail : kthursby@nossaman.com

**TYPE OF SALE :**  Negotiated  Competitive **IS THIS FINANCING A PRIVATE PLACEMENT?<sup>2</sup>**  No  Yes

**TYPE OF DEBT INSTRUMENT:** Tax allocation bond

Please specify if "Other" was checked.

**SOURCE(S) OF REPAYMENT**

- |   |   |
|---|---|
| <input type="checkbox"/> Bond proceeds (BDPR)                                 | <input type="checkbox"/> Property tax revenues (PRTX)     |
| <input type="checkbox"/> General fund of issuing jurisdiction (GNFD)          | <input type="checkbox"/> Public enterprise revenues (PER) |
| <input type="checkbox"/> Grants (GRNT)  | <input type="checkbox"/> Sales tax revenues (SATR)        |
| <input type="checkbox"/> Intergovernmental transfers other than grants (ITGV) | <input type="checkbox"/> Special assessments (SA)         |
| <input type="checkbox"/> Local obligor (LOB)                                  | <input type="checkbox"/> Special tax revenues (SPTR)      |
| <input type="checkbox"/> Private obligor payments (POP)                       | <input checked="" type="checkbox"/> Tax-increment (TI)    |
| <input type="checkbox"/> Other (OTHS)   | <input type="checkbox"/> Utility Project Charges (UPC)    |

Please specify if "Other" was checked.

**PURPOSE(S) OF FINANCING (show the first 5)**                      **Percent**

Please specify type/name of project if different from above.

**Name of individual to whom an invoice for the CDIAC issue fee should be sent :**

Name :                      Todd Smith  
 Firm/ Agency              Hilltop Securities Inc.  
 Address :                      2533 S. Coast Highway 101 Suite 250  
 City/ State/ Zip              CardiffbytheSea, CA 92007  
 Phone:                      (760) 632-1347  
 E-Mail :                      todd.smith@hilltopsecurities.c

**FINANCING PARTICIPANTS (Firm Name)**

Financial Advisor :	NHA Advisors	<b>Office Location (City/ State) :</b> San Rafael, CA
Lead Underwriter:		,
Borrower Counsel (Loan) (Not obligor Counsel):	Stradling Yocca Carlson & Rauth	Reno, NV
Bond Counsel :	Nossaman LLP	Irvine, CA
Co-Bond Counsel :		,
Trustee/ Paying Agent :	Bank of New York Mellon Trust Company	Los Angeles, CA
Placement Agent :	Hilltop Securities	CardiffbytheSea, CA
Disclosure Counsel:		,
Purchaser:	Compass Mortgage Corporation	Denver, CO
Lender:		,

**MATURITY SCHEDULE**

- Attached                       Included in Official Statement

**MATURITY STRUCTURE**

- Serial (S)                       Term (T)  
 Serial and term bonds (B)

**FINAL MATURITY DATE:**                      8/1/2032

**FIRST OPTIONAL CALL DATE:**                      2/1/2018

**SENIOR STRUCTURE:**                       Yes                       No

**SUBORDINATE STRUCTURE:**                       Yes                       No

**OFFICIAL STATEMENT/ OFFERING MEMORANDUM :**

- Enclosed                       None prepared

**IS THE INTEREST ON THE DEBT TAXABLE?**

- Under State Law:                       Yes (taxable)                       No (tax-exempt)  
 Under Federal Law:                       Yes (taxable)                       No (tax-exempt)

If the issue is federally tax-exempt, is interest a specific preference item for the purpose of alternative minimum tax?                       Yes                       No

**INTEREST TYPE (Please provide both NIC & TIC if available) :**

- NIC                      Int. Cost 2.484%  
 TIC                      Int. Cost 2.484%  
 Variable  
 Other                      (Index/Rate)

**CAPITAL APPRECIATION DEBT:**                       Yes                       No

**RATE REDUCTION SAVINGS:**                      \$7,538,510.97  
 (In accordance with Government Code Section 6588.7)

**WAS THE ISSUE INSURED OR GUARANTEED?**

- No
- Bond Insurance (I)
- Letter of Credit (L)
- State Intercept Program (T)
- Other

**GUARANTOR :**

**ENHANCEMENT EXPIRATION DATE:**

**INDICATE CREDIT RATING:** (For example, "AAA" or "Aaa")

- Not Rated       Rated

Standard & Poor's

Fitch

Moody's

Other

**REASON FOR NEGOTIATED REFUNDINGS**

If the issue is a negotiated refunding, indicate the reason(s) why the bonds were issued at a private or negotiated versus a

- (1) Timing of the sale provided more flexibility than a public sale.
- (2) More cost savings were expected to be realized than a public sale
- (3) More flexibility in debt structure was available than a public sale.
- (4) Issuer able to work with participants familiar with issue(r) than a public sale.
- (5) All of the above.
- (6) Other (please specify)

**REASON FOR NEGOTIATED REVENUE BONDS<sup>3</sup>**

If the issue is a negotiated revenue bonds, indicate the reason(s) why the bonds were issued at a private or negotiated versus a competitive

- (1) Timing of the sale provided more flexibility than a public sale.
- (2) More cost savings were expected to be realized than a public sale
- (3) More flexibility in debt structure was available than a public sale.
- (4) Issuer able to work with participants familiar with issue(r) than a public
- (5) All of the above.
- (6) Other (please specify)

**ISSUANCE COSTS AND FEES :**

A. Management Fee	\$0.00
B. Total Takedown	\$0.00
C. Underwriter Expenses	\$0.00
<b>Underwriter Spread or Discount</b>	<b>\$0.00</b>
D. Bond Counsel	\$56,000.00
E. Borrower Counsel (Loan)	\$15,000.00
F. Co-Bond Counsel	\$0.00
G. Disclosure Counsel	\$0.00
H. Financial Advisor	\$64,500.00
I. Rating Agency	\$0.00
J. Credit Enhancement	\$0.00
K. Trustee Fee	\$5,485.00
L. Placement Agent	\$75,000.00
M. Other Expenses	\$81,669.03
N. Purchaser Fee	\$0.00
O. Lender Fee	\$0.00
<b>Total Issuance Costs</b>	<b>\$297,654.03</b>
Original Issue Premium	\$0.00
Original Issue Discount	\$0.00
Net Original Premium/ Discount	\$0.00
Net Original Premium used to Refund, Redeem, Pay-Down, or Refinance	\$0.00

<sup>1</sup> Section 53583(c)(2)(B) of the California Government Code requires that any local agency selling refunding bonds at private sale or on a negotiated basis shall send a written statement, within two weeks after the bonds are sold, to CDIAC explaining the reasons why the local agency determined to sell the bonds at a private sale or on a negotiated basis instead of at public sale.

<sup>2</sup> This fee is authorized by Section 8856 of the California Government Code and is charged to the lead underwriter, the purchaser or the lender in an amount equal to one-fortieth of 1 percent of the principal amount of the issue, but not to exceed five thousand dollars (\$5000) for any one issue.

<sup>3</sup> Section 54418 of the California Government Code requires that any local agency selling revenue bonds at a private sale rather than a public sale shall

**SUCCESSOR AGENCY  
TO THE  
COMMUNITY DEVELOPMENT COMMISSION AS THE  
NATIONAL CITY REDEVELOPMENT AGENCY**

**NATIONAL CITY REDEVELOPMENT PROJECT**

**PROJECTED TAXABLE VALUES AND  
ANTICIPATED TAX INCREMENT REVENUES**

**September 13, 2017**

**I. Introduction**

The 2017 Tax Allocation Refunding Bonds (the “Bonds”), are being issued by the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the “Successor Agency”) to refinance certain outstanding obligations of the Successor Agency. The Bonds will be used to refund outstanding 1999 Tax Allocation Bonds, the 2005B Tax Allocation Bonds and the 2011 Tax Allocation Bonds that were originally issued by the National City Redevelopment Agency (the “Former RDA”); fund a reserve account for the Bonds (if necessary); and pay the costs of issuing the Bonds. The intent of the refunding will be to lower the cost of repayment of the refunded bonds in accordance with Section 34177.5 of the Health and Safety Code.

On June 29, 2011, the California Legislature and Governor adopted Assembly Bill x1 26 (“AB 1x 26” or the “Dissolution Act”), which generally dissolved redevelopment agencies statewide as of February 1, 2012. The bill was challenged by a suit filed before the California Supreme Court, but was upheld by the Court on December 29, 2012. On June 27, 2012 Assembly Bill 1484 (AB 1484) was signed into law, modifying and supplementing ABx1 26. The Dissolution Act was further modified by Senate Bill 107 (“SB 107) that was signed into law on September 22, 2015. In accordance with Section 34177.5(g) of the California Health and Safety Code, bonds issued by the Successor Agency shall be considered indebtedness incurred by the dissolved redevelopment agency, with the same legal effect as if the bonds, indebtedness, financing agreement, or amended enforceable obligation had been issued, incurred, or entered into prior to June 29, 2011, in full conformity with the applicable provisions of the California Community Redevelopment Law (being Part 1 of Division 24 of the Health and Safety Code and is being referred to herein as the “Law”) that existed prior to that date. These obligations shall be included in the successor agency’s Recognized Obligation Payment Schedule (the “ROPS”), and shall be secured by a pledge of, and lien on, and shall be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund (the “RPTTF”).

Tax revenues generated from the incremental taxable value in a redevelopment project area were, prior to February 1, 2012, generally referred to as Tax Increment Revenues. The Law provided that the Tax Increment Revenues could be pledged by a redevelopment agency to the repayment of agency indebtedness. In this report, Tax Increment Revenues, including Unitary Tax Revenue (see Section IV.H., Allocation of State Assessed Unitary Taxes) are referred to as Gross Tax Revenues. Gross Tax Revenues less the County Property Tax Collection Fees (see Section IV G, County Property Tax Collection Reimbursement); and, Tax Sharing payments with a lien on Gross Tax Revenues that is senior to the pledge of Tax Revenues to the payment of debt service on the Bonds (see Section VII, Tax Sharing and Other Obligations) are referred to as Tax Revenues.

Allocation of tax increment revenue has been significantly altered by the passage of ABx1 26, AB 1489 and SB 107 by the California Legislature. This legislation has been designed to dissolve redevelopment agencies formed pursuant to the Law while assuring that the enforceable obligations incurred by the former redevelopment agencies are repaid (see Section VI Legislation). While tax increment revenues were previously allocated by the County Auditor-Controller based on an allocation schedule covering much of the fiscal year, beginning with fiscal year 2012-13 revenues are only allocated on January 2 and June 1 of each year.

The purpose of this fiscal consultant report (the "Report") is to examine property tax information for the current fiscal year and to project the amount of tax increment revenues anticipated to be received by the Successor Agency from the Project Area for the current fiscal year and nine subsequent fiscal years. Provisions of the Law and the Redevelopment Plan for the National City Redevelopment Project (the "Project Area") determine the amount of Tax Revenue that the Successor Agency may utilize for purposes of making debt service payments and payments on other obligations with a superior lien on Tax Revenues (see Section VII, Tax Sharing Agreements and Other Obligations, below). As a result of our research, we project that the Tax Revenues for the Project Area will be as shown in Table A below:

<b>Table A</b>						
<b>Projected Project Area Tax Revenues</b>						
(000's Omitted)						
Fiscal Year	Gross Tax Revenues	SB 2557 Admin. Charge	Statutory Tax Sharing Tier 1 Payments	Statutory Tax Sharing Tier 2 Payments	Negotiated Pass Through Payments	Tax Revenues
2017-18	\$18,836	(\$198)	(\$663)	(\$234)	(\$3,292)	<b>\$14,449</b>
2018-19	19,580	( 205)	( 696)	( 259)	( 3,427)	<b>14,992</b>
2019-20	20,028	( 210)	( 720)	( 279)	( 3,504)	<b>15,316</b>
2020-21	20,486	( 215)	( 744)	( 298)	( 3,583)	<b>15,646</b>
2021-22	20,953	( 220)	( 768)	( 319)	( 3,664)	<b>15,982</b>
2022-23	21,429	( 225)	( 793)	( 340)	( 3,746)	<b>16,325</b>
2023-24	21,915	( 230)	( 819)	( 361)	( 3,830)	<b>16,675</b>
2024-25	22,411	( 235)	( 845)	( 383)	( 3,916)	<b>17,032</b>
2025-26	22,916	( 240)	( 871)	( 405)	( 4,003)	<b>17,396</b>
2026-27	23,432	( 246)	( 898)	( 428)	( 4,092)	<b>17,768</b>

The taxable values of property and the resulting Tax Revenues for the Project Area summarized above are reflected on Tables 1 and 2 of the projections (attached). These projections are based on assumptions determined by our review of the taxable value history of the Project Area and the property tax assessment and property tax apportionment procedures of the San Diego County Auditor-Controller. The projection illustrates the entire amount of Tax Revenues projected as being available from the Project Area. Future year assessed values and Tax Revenues are projections based on the assumptions described in this Report and are not guaranteed as to accuracy and are not to be construed as a representation of such by HdL Coren & Cone.

## II. The Project Area

Between 1969 and 1978, the City Council of the City of National City ("City Council") adopted four redevelopment projects: the E.J. Christman Business and Industrial Park Redevelopment

Project by Ordinance No. 1233 on November 18, 1969; the South Bay Town and Country Redevelopment Project by Ordinance No. 1471 on June 24, 1975; the Center City Redevelopment Project by Ordinance No. 1505 on April 13, 1976; and, the E.J. Christman Business and Industrial Park Redevelopment Project Amendment No. 2 by Ordinance No. 1610 on December 13, 1977. On December 1, 1981, the City Council adopted the National City Downtown Redevelopment Project by Ordinance No. 1762 and merged the newly adopted project area with the four preexisting redevelopment projects and incorporating additional properties to establish a 2,080-acre merged project area.

The merged National City Downtown Redevelopment Project was amended three times after its adoption. Amendment No. 1 was adopted on May 22, 1984 by Ordinance No. 1821; Amendment No. 2 was adopted on April 16, 1985 by Ordinance No. 1851; and Amendment No. 3 was adopted on June 18, 1991 by Ordinance No. 91-2013. Of these amendments, only Amendment No. 2 increased the size of the project area, adding approximately three acres, and enlarging the merged National City Downtown Redevelopment Project Area to approximately 2,083 acres. On July 18, 1995 the City Council adopted Ordinance No. 95-2095 that added additional area referred to as the Added Area. This added area is also referred to as the Harbor District Redevelopment Project and it added approximately 317 acres to the Project Area, bringing the total size to approximately 2,400 acres.

**A. Land Use**

Tables B reflects the breakdown of land uses in the Project Area by the number of parcels and their taxable value for fiscal year 2017-18. This information is based on County land use designations as provided by San Diego County through tax roll data. It should be noted that the County land use designations do not necessarily parallel City land use and zoning designations. Unsecured and State Board of Equalization Non-Unitary values are associated with secured Assessor parcels that are already accounted for in other categories.

<b>Table B Project Area Land Use Categories</b>			
<b>Category</b>	<b>No. Parcels</b>	<b>Taxable Value</b>	<b>% of Total</b>
Residential	4,532	\$1,100,872,490	48.39%
Commercial	561	636,034,664	27.96%
Industrial	282	289,758,897	12.74%
Vacant	291	56,776,546	2.50%
Recreational	38	29,927,236	1.32%
Institutional	239	1,761,008	0.08%
Exempt	219	0	0.00%
<b>Subtotals</b>	<b>5,962</b>	<b>\$2,115,130,841</b>	<b>92.98%</b>
SBE Non-unitary		4,043,640	0.18%
Unsecured		155,717,288	6.85%
<b>Subtotals</b>		<b>\$159,760,928</b>	<b>7.02%</b>
<b>Totals:</b>	<b>5,962</b>	<b>\$2,274,891,769</b>	<b>100.0%</b>

**B. Redevelopment Plan Limits**

In accordance with the Law as it existed prior to the adoption of ABx1 26, redevelopment plans adopted after October 1, 1976 were required to include a limitation on the number of tax increment

dollars that could be allocated to the Former RDA, and a time limit on the establishment of indebtedness to be repaid with tax increment. In addition, if the plan authorizes the issuance of tax allocation bonds, a limit on the amount of bonded indebtedness that may be outstanding at one time must be included.

The former redevelopment plan limits for the Project Area are summarized in Table C below. On September 22, 2015, the Governor signed Senate Bill 107 ("SB 107"). This legislation implemented revisions to the Health and Safety Code as it impacts the time and tax increment limits of former redevelopment project areas. The legislation eliminated the effectiveness of tax increment limits, limits on redevelopment activities and time limits on repayment of indebtedness except for contractual agreements that had been structured to terminate based on a project area reaching its tax increment and/or time limits. Tax increment revenues will be allocated to the RPTTF from the Project Area for as long as necessary to repay enforceable obligation except to the extent that an enforceable obligation is limited in its duration by the time or tax increment limits contained in the Project Area redevelopment plan.

<b>Table C</b>					
<b>Former Redevelopment Plan Limits</b>					
Component Area	End of Project Activities	Last Date to Repay Debt	Last Date to Incur Debt	Tax Increment Limit	Limit on Outstanding Bonded Debt
Christman 1	11/18/2010	11/18/2020	Eliminated		
South Bay	06/24/2016	06/24/2026	Eliminated		
Center City	04/13/2017	04/13/2027	Eliminated		
Christman 2	12/13/2018	12/13/2028	Eliminated		
Downtown	12/1/2022	12/1/2032	Eliminated		
Downtown Amend.	04/16/2026	04/16/2036	Eliminated		
<b>Combined Limits</b>				<b>\$390 Million</b>	<b>\$100 Million</b>
Harbor District	07/18/2026	07/18/2041	07/18/2015	No Limit	No Limit

The County Auditor-Controller has confirmed their belief that the adoption of SB 107 eliminates the effectiveness of the former redevelopment plan limits and that tax increment revenue will continue to be deposited into the RPTTF until all obligations of the Former RDA have been repaid.

### III. Project Area Assessed Values

#### A. Assessed Values

Taxable values for all parcels are prepared by the County Assessor and reported by the County Auditor-Controller each fiscal year. These values represent the aggregation of all locally assessed properties that are part of the Project Area. The assessments are assigned to Tax Rate Areas ("TRA") that are collectively coterminous with the boundaries of the Project Area. The historic reported taxable values for the Project Area and its component areas were reviewed to ascertain the rate of taxable property valuation growth over the ten most recent fiscal years beginning with 2008-09.

#### Project Area

From 2008-09 through 2017-18, Project Area values reflect strong growth until 2008-09 and then experienced declines in value for 2009-10, 2010-11 and 2011-12. The declines in value for these three years totaled \$148.8 million (-7.91%). The largest reductions in value were experienced by residential land uses, however, commercial and vacant land values experienced significant

reductions as well. These reductions in value occurred as the economy in the Southern California was stressed by the general economic recession. Beginning with an increase in value for 2012-13 of 2.79%, recovery of the value declines has steadily progressed. For 2011-12 through 2017-18 values have increased by \$543.3 million (31.37%). Values for 2017-18 are now \$394.5 million (20.98%) greater than the peak value in 2008-09 prior to the values losses caused by the recent recession. Growth in assessed value has been almost entirely based on secured value increases since unsecured values make up only 6.85% of all taxable value. Despite some upward and downward bounces in unsecured values over this 10-year period, unsecured values have increases steadily since 2014-15. Unsecured values for 2017-18 are up by \$24 million (18.2%) over the unsecured values for 2008-09.

Table D, below, reflects the incremental value of the Project Area broken down by component project area for 2017-18.

<b>Table D</b>		
<b>Project Area Incremental Value for 2017-18</b>		
<b>By Component Project Area</b>		
<b>Component Project Area</b>	<b>Incremental Value</b>	<b>% of Total Incremental Value</b>
EJ Christman No. 1	\$ 130,581,140	7.01%
South Bay Town & Country	31,008,559	1.67
City Center	59,566,387	3.20
EJ Christman No. 2	44,474,491	2.39
Downtown Project	1,426,861,863	76.63
Downtown Project – Amend.	10,125,546	0.54
Harbor District (Added Area)	159,278,264	8.55
<b>Project Area</b>	<b>\$1,861,896,250</b>	<b>100.00%</b>

**Proposition 8 Value Reductions/Recovery**

In response to the declines in residential market value that resulted from the economic declines in 2009-10, the San Diego County Assessor reviewed and made adjustments to the values of residential properties sold after July 2004 pursuant to the requirements of Proposition 8. The constitution requires the Assessor to enroll a property's value at the lesser of the prior year value adjusted for inflation or the current market value. The peak of these value reductions occurred in 2010-11 but residential values have been substantially recovered as of 2017-18. For 2017-18 within the Project Area, there are 347 parcels that have values that are still enrolled below their inflation adjusted base values pursuant to Proposition 8. These properties are currently enrolled at values that are, on average, 29.13% lower than the property's inflation adjusted base value. This represents a total of \$48.7 million in value that is eligible to be recovered under Proposition 8 as assessed values recover. These parcels that are still reduced in value under Proposition 8 represent 7.6% of all residential parcels located in the Project Area. Despite the continued reduction of value on these parcels, total residential values in the Project Area are currently \$163.3 million (17.4%) greater than the residential values for 2008-09.

Within the Project Area, the recovery of values reduce pursuant to Prop 8 will likely continue as the value of residential properties continue to advance, however, the amount of value that will be recovered each year is not expected to be significant relative to the total amount of Project Area value.

**B. Top Ten Taxable Property Owners**

A review of the top ten taxpayers in the Project Area for fiscal year 2017-18 was conducted. The assessed values of those properties controlled by the top ten taxpayers were compared to the total assessed value and incremental value of the Project Area. The following Table E summarize the attributes of the top ten taxpayers for the Project Area. A more complete outline of the top taxpayer information is contained on Table 4 of the attached tax increment projections.

<b>Table E</b>				
<b>Project Area Top Ten Taxpayers</b>				
<b>Property Owner</b>	<b>Combined Value</b>	<b>% of Total Value</b>	<b>% of Incremental Value</b>	<b>Primary Land Use</b>
National City Investment LP (1)	\$42,750,000	1.88%	2.30%	Commercial Offices & Parking
Costco Wholesale Corporation	41,537,988	1.83%	2.23%	Costco Optical Laboratories
Conrad Prebys Trust	39,082,144	1.72%	2.10%	Multi-Family Residential & Commercial
Fenton N C LLC	33,560,138	1.48%	1.80%	Non-Contiguous Industrial
Dixieline Lumber Company	25,721,017	1.13%	1.38%	Dixieline Shopping Center
MGP XI US Properties LLC	25,398,537	1.12%	1.36%	Sweetwater Town & Country Center
ROIC California LLC	23,010,720	1.01%	1.24%	Bay Plaza Shopping Center
WalMart Real Estate Business Trust	22,398,118	0.98%	1.20%	WalMart Discount Retail Store
Harborview Partners LLC	22,383,900	0.98%	1.20%	Harborview Apartments
Marina Gateway Development Corp.	22,062,652	0.97%	1.18%	Marina Gateway Hotel & Commercial
<b>Top Property Owner Total Value</b>	<b>\$297,905,214</b>			
<b>Project Area Assessed Value</b>	<b>\$2,274,891,769</b>	<b>13.10%</b>		
<b>Project Area Incremental Value</b>	<b>\$1,861,896,250</b>		<b>16.00%</b>	

(1) These taxpayers have pending assessment appeals on parcels owned (see Section IV F).

National City Investment LP is the largest taxpayer within the Project Area. The 4 parcels owned by National City Investment LP include a commercial office building located at 401 Mile of Cars Way. This building is occupied by the San Diego County In-Home Supportive Services Public Authority and several other tenants. The four parcels were purchased by National City Investment LP on July 6, 2016 for \$42.7 million and this caused the reappraisal of the properties for the 2017-18 tax roll. The second largest taxpayer is Costco Wholesale Corporation. This facility is not a Costco retail store but is a large optical laboratory owned by Costco. This facility manufactures optical products sold in Costco stores.

The prior owner of the National City Investment LP parcels, Walton Greenlaw South Bay Holdings VI, filed assessment appeals for the 2016-17 valuations on the four parcels that it owned. These appeals are currently pending. This is the only taxpayer within the top ten taxpayers for the Project Area that has pending appeals on file. The pending appeals are seeking a combined reduction in value of \$10.8 million (-50.42%).

**IV. Tax Allocation and Disbursement**

**A. Property Taxes**

The taxable values of property are established each year on the January 1 property tax lien date. Real property values reflect the reported assessed values for secured and unsecured land and improvements. The base year value of a parcel is the value established as the full market value

upon a parcel's sale, improvement or other reason for reassessment. Article XIII A of the California Constitution (Proposition 13) provides that a parcel's base year value is established when locally assessed real property undergoes a change in ownership or new construction occurs. Following the fiscal year that a parcel's base year value is first enrolled, the parcel's value is factored annually for inflation. The term base year value does not refer to the base year value of the Project Area. Pursuant to Article XIII A, Section 2(b) of the State Constitution and California Revenue and Taxation Code Section 51, the percentage increase in the parcel's value cannot exceed 2% of the prior year's value.

Secured property includes property on which any property tax levied by a county becomes a lien on that property. Unsecured property typically includes value for tenant improvements, fixtures, inventory and personal property. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other secured property owned by the taxpayer. The taxes levied on unsecured property are levied at the previous year's secured property tax rate. Utility property assessed by the State Board of Equalization (the Board) may be revalued annually and such assessments are not subject to the inflation limitations established by Proposition 13. The taxable value of Personal Property is also established on the lien dates and is not subject to the annual 2% limit of locally assessed real property.

Each year the Board announces the applicable adjustment factor. Since the adoption of Proposition 13, inflation has, in most years, exceeded 2% and the announced factor has reflected the 2% cap. Through fiscal year 2016-17 there were ten occasions when the inflation factor has been less than 2%. Until 2010-11 the annual adjustment never resulted in a reduction to the base year values of individual parcels, however, the factor that was applied to real property assessed values for the January 1, 2010 assessment date was a -0.237% and this resulted in a reduction to the adjusted base year value of parcels. The changes in the California Consumer Price Index (CCPI) from October of one year and October of the next year are used to determine the adjustment factor for the January assessment date. The table below reflects the inflation adjustment factors for the current fiscal year, ten prior fiscal years and the estimated adjustment factor for the next fiscal year.

<b>Table F</b>	
<b>Historical Inflation Adjustment Factors</b>	
<b><u>Fiscal Year</u></b>	<b><u>Inflation Adj. Factor</u></b>
2007-08	2.000%
2008-09	2.000%
2009-10	2.000%
2010-11	-0.237%
2011-12	0.753%
2012-13	2.000%
2013-14	2.000%
2014-15	0.454%
2015-16	1.998%
2016-17	1.525%
2017-18	2.000%

On December 13, 2016, the Board determined that the inflationary adjustment for fiscal year 2017-18 would be 2.00%. This factor was incorporated into the values published by the Assessor for the current fiscal year. For purposes of the projection we have assumed that the inflation

adjustment factor for future years will be 2.00%. This assumption is based on the fact that the inflation adjustment factor has been at the maximum allowed amount of 2.00% in 33 of the 44 years since the adoption of Proposition 13.

### B. Supplemental Assessments

Chapter 498 of the Statutes of 1983 provides for the reassessment of property upon a change of ownership or completion of new construction. Such reassessment is referred to as the Supplemental Assessment and is determined by applying the current year's tax rate to the amount of the increase or decrease in a property's value and prorating the resulting property taxes to reflect the portion of the tax year remaining as determined by the date of the change in ownership or completion of new construction. Supplemental Assessments become a lien against Real Property.

Since 1984-85, revenues derived from Supplemental Assessments have been allocated to redevelopment agencies and taxing entities in the same manner as regularly collected property taxes. The receipt of Supplemental Assessment Revenues by taxing entities typically follows the change of ownership by a year or more. We have **not** included revenues resulting from Supplemental Assessments in the projections. Table G illustrates the amounts of Supplemental Revenues that have been received by the Successor Agency for the Project Area in fiscal years 2012-13 through 2016-17.

<b>Table G</b>	
<b>Historical Supplemental Revenue Allocations</b>	
<u>Fiscal Year</u>	<u>Supplemental Revenue</u>
2012-13	\$377,107
2013-14	611,596
2014-15	470,973
2015-16	344,134
2016-17	834,636

### C. Tax Rates

Tax rates will vary from area to area within the State, as well as within a community and within the Project Area. The tax rate for any particular parcel is based upon the jurisdictions levying the tax rate for the area where the parcel is located. The tax rate consists of the general levy rate of \$1.00 per \$100 of taxable value and the over-ride tax rate, if any. The over-ride rate is that portion of the tax rate that exceeds the general levy tax rate and is levied to pay voter approved indebtedness or contractual obligations that existed prior to the enactment of Proposition XIII.

A Constitutional amendment approved in June 1983 allows the levy of over-ride tax rates to repay indebtedness for the acquisition and improvement of real property, upon approval by a two-thirds vote. A subsequent amendment of the Constitution prohibits the allocation to redevelopment agencies of tax revenues derived from over-ride tax rates levied for repayment of indebtedness approved by the voters after December 31, 1988. Tax rates that were levied to support any debt approved by voters after December 31, 1988 were not allocated to redevelopment agencies. The over-ride tax rates typically decline each year due to (1) increasing property values (which would reduce the over-ride rate that must be levied to meet debt service) and, (2) the eventual retirement of debt over time. There is only one debt service over-ride tax rate levied within the Project Area that received voter approval prior to December 31, 1988. This tax rates is levied by the Metropolitan Water District for payment of the cost of water purchases pursuant to State water

contracts. In addition, there are three voter approved debt service tax rates levied by the City of National City; seven debt service tax rates levied by the Sweetwater High School District; and, eight debt service tax rates levied by the Southwestern Community College District. These tax rates were approved by voters after December 31, 1988 and have never produced tax increment revenue that was allocated to the Project Area.

ABx1 26 was adopted in late June 2011 (see Legislation, Section VI). Section 34183(a)(1) of that legislation requires the Auditor Controller to allocate all revenues attributable to tax rates levied to make annual repayments of the principal and interest on any bonded indebtedness for the acquisition or improvement of real property to the taxing entity levying the tax rate. SB 107 has amended several of the provisions of ABx1 26 and AB 1484. With regard to debt service override tax rates levied for pension fund programs and state water contracts, the revenue generated from these tax rates, including that revenue generated by the Metropolitan Water District (the "MWD") state water contract override tax rates (see below) will no longer be allocated to the Successor Agency unless these revenues have been pledged to the payment of debt service on bonds. Any debt service override tax rate revenues that have been pledged to debt service but are not needed to make the debt service payments on the bonds will be allocated directly to the entities that have levied the override tax rate.

The tax increment revenues used in this projection are derived only from the general levy tax rate. The components of the total tax rates for 2017-18 that are applied within the tax rate areas of the Project Area are reflected in Table H below.

<b>Table H</b>	
<b>2017-18 Secured Tax Rates</b>	
General Levy	1.00000
RDA Eligible D/S Rates	<u>.00000</u>
<b>Total RDA Eligible Tax Rate:</b>	<b>1.00000</b>
<u>Non-RDA Eligible Tax Rates</u>	
National City 2002 Series A	.00880
National City Prop N Series 2014 A	.02867
Sweetwater High School Bond 2000 A	.00409
Sweetwater High School Bond 2000 C	.01185
Sweetwater High School Bond 2014 Refunding	.01106
Sweetwater High School Bond 2016 Refunding	.01786
Sweetwater High School Bond 2016 B	.00676
Southwestern Community College Bond Refunding 2005	.01129
Southwestern Community College Series 2009 A	.00236
Southwestern Community College Series 2009 B	.00830
Southwestern Community College Prop R 2010 C	.00578
Southwestern Community College Bond 2015 Refunding	.00483
Southwestern Community College Bond 2015 D	.00600
Metropolitan Water District – Remainder SDCWA 1501999	<u>.00350</u>
<b>Total Tax Rate:</b>	<b><u><u>1.13115</u></u></b>

**D. Allocation of Taxes**

Taxes on secured property values paid by property owners are due in two equal installments on November 1 and on February 1 and become delinquent on December 10 and April 10. Taxes on unsecured property are due March 1 and become delinquent August 31. Prior to dissolution of

redevelopment agencies, the County disbursed secured tax increment revenue to the former redevelopment agencies from November through August with approximately 45 percent of secured revenues apportioned by the end of December and a total of 95% of the secured revenues by the end of the following May. Unsecured revenues were disbursed to the former redevelopment agencies from September through June of each fiscal year with approximately 90% of the unsecured revenues being apportioned in September. The County Auditor-Controller apportions tax increment revenue based on collections and does **not** utilize the alternative allocation method known as the Teeter Plan. The apportionment schedule described above and the apportionment of tax increment revenue based on collections was in use by the County Auditor Controller for many years prior to redevelopment dissolution and continues to be the pattern of tax increment revenue allocation.

As of February 1, 2012, the apportionment of tax increment revenue was dictated by the legislation adopted as ABx1 26 (See Legislation, Section VI). Revenue is now apportioned to Successor Agencies on January 2 and June 1 of each fiscal year. All tax increment revenue is accumulated by the County Auditor-Controller in the RPTTF for allocation on these two dates. The tax increment revenue available for allocation on January 2 consists of revenues collected after June 1 of the previous fiscal year and for collections in November and December of the current fiscal year. The tax increment revenues available for allocation on June 1 include revenues collected from January 1 to June 1 of the current fiscal year.

From the amounts accumulated in the RPTTF for each allocation date, the County Auditor-Controller is to deduct its own County administrative charges and is to calculate and deduct amounts owed, if any, to taxing entities for tax sharing agreements entered into pursuant to Section 33401 of the Law and for statutory tax sharing obligations required by Sections 33607.5 and 33607.7 of the Law. The amount remaining after these reductions, if any, is what is available for payment by the Successor Agency of debt obligations of the Former RDA.

Prior to receiving revenues on January 2 and June 1, the Successor Agency must adopt a Recognized Obligation Payment Schedule (ROPS) that lists the debt obligations of the Former RDA that must be paid during the six-month periods of January 1 through June 30 and July 1 through December 31. There is a provision in the legislation for a Successor Agency to request additional amounts in one ROPS payment to allow it to make payments that may be beyond the revenues available in the particular allocation cycle. As the result of the recent adoption of SB 107, beginning with the ROPS submittal for the June 1, 2016 RPTTF allocation, a single ROPS will be approved for a full year of RPTTF allocations. The ROPS approved for each June 1 RPTTF allocation will also include the payment obligations for the subsequent January 2 RPTTF allocation. There is provision in the law for the approved ROPS to be amended one time after its initial approval but only to revise a payment amount to be made during the second RPTTF allocation (January 1 through June 30) and only with Oversight Board approval. The ROPS and any ROPS amendments must receive approval from the Successor Agency Board, the Oversight Board prior to submittal to the State Department of Finance (the "DOF") and must also receive approval from the DOF. The ROPS must be filed with the DOF by February 1 of each year after approval by the Successor Agency Board and the Oversight Board.

The Successor Agency is entitled to receive an amount to cover the administrative costs of winding down the business of the former redevelopment agency. This amount is set by AB1x 26 at the greater of \$250,000 per year or a maximum of 3% of the amount allocated from the RPTTF. AB

1484 added language that allowed the Oversight Board to reduce the amount of the minimum administrative allowance. To the extent that revenues are insufficient to pay all of the approved ROPS obligations, the Successor Agency's administrative allowance will be reduced or eliminated. Successor Agency administrative allowance amounts that have been approved but cannot be paid due to a lack of RPTTF revenue will be carried over to the next RPTTF allocation for payment as funds become available.

As a result of passage of SB 107, commencing July 1, 2016 the administrative cost allowance will be 3% of the actual property taxes allocated to the Successor Agency in the preceding fiscal year less the Successor Agency's administrative cost allowance and any city loan repayment amounts. If, however, 3% of the actual property taxes allocated in the preceding fiscal year is greater than 50% of the total RPTTF amounts distributed to pay enforceable obligations as reduced by the administrative allowance and any city loan repayment amounts, then the administrative cost allowance shall not exceed 50% of the total RPTTF amounts distributed to pay enforceable obligations as reduced by the administrative allowance and any city loan repayment amounts.

If there are RPTTF amounts remaining after reductions for County administrative charges, amounts owed, if any, to taxing entities for tax sharing agreements and/or statutorily required tax sharing obligations, enforceable obligations and Successor Agency administrative allowance, these remainder amounts are referred to as Residual Revenue. Residual Revenue for each allocation cycle is proportionately allocated to the taxing entities and to the Educational Revenue and Augmentation Fund (ERAF). The legislation stipulates that the combination of tax sharing payments and Residual Revenue payments to tax entities may not exceed that taxing entity's full share of tax increment revenue. In circumstances where a taxing entity receives all or most of its share of tax increment revenue as a result of its tax sharing agreement, that taxing entity's share of the Residual Revenue distribution may be reduced and the portions of Residual Revenue allocated to the other taxing entities will be proportionately increased. (See Section VII – Tax Sharing Agreements and Other Obligations, below). The forms and procedures used by a successor agency to submit its ROPS to its Oversight Board and to the DOF are dictated by the legislation as interpreted by DOF.

The following Table I reflects the actual allocation of tax revenues for fiscal years 2012-13 through 2016-17 to date.

<b>Table I Successor Agency RPTTF Allocations</b>						
<b>Fiscal Years</b>	<b>ROPS Filed</b>	<b>RPTTF Deposits</b>	<b>County Admin. Charges</b>	<b>Pass Through Distributions</b>	<b>Allocated for Enforceable Obligations</b>	<b>Residual Revenue</b>
2012-13	ROPS 3 & 13-14A	\$14,224,454	\$270,654	\$1,268,921	\$11,505,010	\$1,179,869
2013-14	13-14B & 14-15A	15,342,062	282,052	1,251,346	13,608,368	200,296
2014-15	14-15B & 15-16A	15,347,603	271,017	1,094,892	12,705,481	1,276,213
2015-16	15-16B & 16-17A	16,352,026	265,683	3,399,857	11,558,679	1,127,808
2016-17	16-17B & 17-18A	17,478,152	262,395	3,707,638	7,740,998	5,767,120

**E. Annual Tax Receipts to Tax Levy**

The County Auditor-Controller apportions tax revenues to the RPTTF based upon the amount of the tax levy that is received from the taxpayers. Collection rates for the Project Areas have been consistently high. The following table illustrates the final tax revenue collections for the most

recent five fiscal years. To calculate the rate of collections, the revenue allocated to the component project areas for current year revenues (secured, unsecured and Homeowners exemption revenues) are compared to the adjusted tax charge for that year. Occasionally, a collection rate of greater than 100% or an abnormally low collection rate occurs when roll corrections are made by the Assessor after publication of the tax roll.

**Table J**  
**Current Year Collection Rates**  
**for Most Recent Five Years**

<b>Fiscal Year</b>	<b>Adjusted Tax Levy</b>	<b>Current Year Apportioned</b>	<b>Prior Year Collections</b>	<b>Total Apportioned</b>	<b>Current Year Collections (%)</b>	<b>Total Collection (%)</b>
2012-13	\$13,932,355	\$13,763,581	\$443,386	\$14,206,966	98.79%	101.97%
2013-14	14,875,368	14,724,955	647,374	15,372,329	98.99%	103.34%
2014-15	15,030,004	14,889,539	498,479	15,388,018	99.07%	102.38%
2015-16	16,148,837	16,024,811	393,951	16,418,761	99.23%	101.67%
2016-17	16,904,587	16,753,565	903,528	17,657,093	99.11%	104.45%

#### **E. Assessment Appeals**

Assessment appeals granted under Section 51 of the Revenue and Taxation Code (also known as Prop 8 Appeals) require that, for each subsequent lien date, the value of real property shall be adjusted to be the lesser of its base year value as adjusted by the inflation factor pursuant to Article XIII A of the State Constitution or its full cash value taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. Reductions made under this code section may be initiated by the Assessor or requested by the property owner.

After a roll reduction is granted under Section 51, the property is reviewed on an annual basis to determine the full cash value of the property and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Such increases shall be consistent with the full cash value of the property and, as a result, may exceed the maximum annual inflationary growth rate allowed on other properties under Article XIII A of the State Constitution. Once the property has regained its prior value, adjusted for inflation it, once again, is subject to the annual inflationary factor growth rate allowed under Article XIII A. (See Section X).

Assessment appeals may also be requested as adjustments to a property's base year value. If such an appeal is granted with a change in value, the base year value of the property is adjusted accordingly and that value is subsequently adjusted for new construction, demolition and any other changes requiring revaluation of the parcel's land, improvement and personal property values and by the annual inflationary factor growth rate allowed under Article XIII A.

For fiscal years 2012-13 through 2016-17 and based on hearing data through August 8, 2017 there are 29 pending assessment appeals within the Project Area. The values under appeal total \$63.8 million and the owners are seeking reductions totaling \$31.4 million (-49.26%). Based on the average number of appeals allowed over the past five years and the average reduction in value achieved in those successful appeals, we estimate that 21 of the currently pending appeals will be

allowed with a reduction of \$5.8 million. The expected reduction in value has been incorporated into the projection as a reduction in assessed value for fiscal year 2018-19.

Table K below shows the number of appeals that are pending, the values under appeal within the Project Area.

**Table K**  
**Historical Assessment Appeal Summary**  
**Fiscal Years 2012-13 through 2016-17**

Total Appeals Filed	No. of Resolved Appeals	No. of Appeals Allowed	Average Reduction	No. of Appeals Pending	Value Under Appeal	Est. Appeals to be Allowed	Est. AV Loss on Pending Appeals Allowed (2018-19 AV Adj.)
112	83	60	15.72%	29	\$63,771,483	21	\$5,826,792

**G. County Property Tax Collection Reimbursement**

Chapter 466, adopted by Senate Bill 2557, allows counties to recover charges for property tax administration in an amount equal to their 1989-90 property tax administration costs, as adjusted annually. The amounts that are reimbursed are the costs connected with the collection and distribution of property taxes for the Tax Collector, the Auditor Controller and the Assessor. The portions of the reimbursement amount that are allocated to each taxing entity within the County are based on the percentage of the total assessed value in the County that each taxing entity's assessed value represents. The Project Area's Property Tax Collection Reimbursement charge for 2016-17 was \$177,411. This amount is approximately 1.05% of the 2016-17 Gross Tax Revenues for the Project Area. The estimated charge for 2017-18 and future years is based on this same percentage of Gross Tax Revenue.

In addition to the amounts charged by the County for administration of property taxes under SB 2557, pursuant to ABx1 26, the County may charge an administrative fee for administration of the RPTTF. The amount charged to the Successor Agency for the January 2, 2017 and June 1, 2017 RPTTF allocations was \$49,628 and \$35,356 respectively. This nominal amount has not been factored into the projections.

**H. Allocation of State Assessed Unitary Taxes**

Legislation enacted in 1986 (Chapter 1457) and 1987 (Chapter 921) provided for a modification of the distribution of tax revenues derived from utility property assessed by the State Board of Equalization, other than railroads. Prior to fiscal year 1988-89, property assessed by the SBE was assessed statewide and was allocated according to the location of individual components of a utility in a tax rate area. Commencing in 1988-89, tax revenues derived from unitary property and assessed by the SBE are accumulated in a single Tax Rate Area for the County. It is then distributed to each taxing entity in the County in the following manner: (1) each taxing entity will receive the same amount as in the previous year plus an increase for inflation of up to 2%; (2) if utility tax revenues are insufficient to provide the same amount as in the previous year, each taxing entity's share would be reduced pro-rata county wide; and (3) any increase in revenues above 2%

would be allocated in the same proportion as the taxing entity's local secured taxable values are to the local secured taxable values of the County.

The unitary revenue allocation for 2017-18 is not yet available. The amount of unitary revenues allocated to the Project Area for 2016-17 is \$216,564. The projection assumes that unitary revenue will continue to be allocated in this same amount for all years within the projection.

## **V. Low and Moderate-Income Housing Set-Aside**

Sections 33334.2 and 33334.3 of the Law required redevelopment agencies to set aside not less than 20 % of all tax increment revenues from project areas adopted after December 31, 1976 into a low and moderate-income housing fund (the "Housing Set-Aside Requirement"). Sections 33334.3, 33334.6 and 33334.7 of the Law extend this requirement to redevelopment projects adopted prior to January 1, 1977. With the adoption of ABx1 26, the Housing Set-Aside Requirement was eliminated. The housing fund into which these set-aside amounts were formerly deposited has been eliminated and any unencumbered amounts remaining in that fund have been identified through a mandated Due Diligence Review. The amounts found to be unencumbered through this Due Diligence Review have been paid to the County and these funds have been allocated to the taxing entities within the Project Area.

## **VI. Legislation**

In order to address State Budget deficits, the Legislature enacted SB 614, SB 844 and SB 1135 that required payments from redevelopment agencies for the 1992-93, 1993-94 and 1994-95 fiscal years into a countywide ERAF. The Former RDA could have used any funds legally available and not legally obligated for other uses, including agency reserve funds, bond proceeds, earned income, and proceeds of land sales, but not moneys in the Low and Moderate-Income Housing Fund (the "Housing Fund") to satisfy this obligation. From fiscal years 1995-96 to 2001-02, state budgets were adopted with no additional shifting of tax increment revenues from redevelopment agencies, however, the fiscal year 2002-03 State Budget required a shift of \$75 million of tax increment revenues statewide from redevelopment agencies to ERAF to meet the state budget shortfall. AB 1768 (Chapter 1127, Statutes of 2002) was enacted by the Legislature and signed by the Governor and based upon the methodology provided in the fiscal year 2002-03 budget, the shift requirement for the former redevelopment agencies to make payments into the ERAF was limited to fiscal year 2002-03 only.

As part of the State's fiscal year 2003-04 budget legislation, SB 1045 (Chapter 260, Statutes of 2003) required redevelopment agencies statewide to contribute \$135 million to local County ERAF which reduced the amount of State funding for schools. This transfer of funds was limited to fiscal year 2003-04 only. Under the Law as amended by SB 1045, the redevelopment agencies were authorized to use a simplified methodology to amend the individual redevelopment plans to extend by one year the effectiveness of the plan and the time during which the agencies could repay debt with tax increment revenues. In addition, the amount of this payment and the ERAF payments made in prior years were to be deducted from the cumulative tax increment amounts applied to a project area's cumulative tax increment revenue limit. The passage of SB 107 has

eliminated these time limits effective for all fiscal years after the adoption by the State of the legislation dissolving redevelopment agencies.

After the State's budget for fiscal year 2004-05 was approved by the legislature and signed by the Governor, Senate Bill 1096 was adopted. Pursuant to SB 1096, redevelopment agencies within the State were required to pay a total of \$250 million to ERAF for fiscal year 2004-05 and for fiscal year 2005-06. The payments were due on May 10 of each fiscal year. As in previous years, payments were permitted to be made from any available funds other than the Housing Fund. If an agency was unable to make a payment, it was allowed to borrow up to 50% of the current year Housing Tax Set-Aside Requirement, however, the borrowed amount was required to be repaid to the Housing Fund within 10 years of the last ERAF payment (May 10, 2006). Under SB 1096, redevelopment plans with less than ten years of effectiveness remaining from June 30, 2005, could be extended by one year for each year that an ERAF payment is made. For redevelopment plans with 10 to 20 years of effectiveness remaining after June 30, 2005, the plans may be extended by one year for each year that an ERAF payment is made if the city council could find that the former redevelopment agency was in compliance with specified state housing requirements. These requirements are: 1) that the agency is setting aside 20% of gross tax increment revenues; 2) that housing implementation plans are in place; 3) that replacement housing and inclusionary housing requirements are being met; and, 4) that no excess surplus existed. As outlined below, the method by which ERAF loans from the Housing Fund may be repaid has been modified by the adoption of AB 1484. The requirement for repayment of these loans by certain dates has been eliminated.

In July 2009, the Legislature adopted AB 26 4x as a means of implementing a package of 30 bills that were adopted in order to close the State's budget deficit. Under this legislation the former redevelopment agencies statewide were required to pay into their county's "Supplemental" ERAF (the "SERAF"), \$1.7 billion in fiscal year 2009-10 and were required to pay another \$350 million in fiscal year 2010-11. Based on a State Controller formula, the former redevelopment agencies were required to pay the required amounts by May 2010 and May 2011 respectively.

Under this legislation, the former redevelopment agencies could use any available funds to make the SERAF payments. If Housing Set-Aside Requirement or Housing Fund amounts were borrowed to make the SERAF payment, the borrowed amounts were required to be repaid to the Housing Fund by June 30, 2015 and June 30, 2016 respectively. Under the requirements of Section 34191.4 amended by AB 1484, however, redevelopment agencies that borrowed from the Housing Fund to make the required SERAF payments for 2010 and for 2011 may only repay the borrowed amounts from annual amounts that are 50% of the increase in annual Residual Revenues that are above the Residual Revenue for fiscal year 2012-13. Repayment amounts are, under current legislation, to be repaid to the Successor Housing Agency established pursuant to ABx1 26 and AB 1484 (see below). Repayment of SERAF payment amounts borrowed from the Housing Fund may only be repaid from growth in Residual Revenue. As a result, the repayment of these amounts will have no impact on the Successor Agency's ability to repay indebtedness.

ABx1 26 and ABx1 27 were introduced in May 2011 as placeholder bills and were substantially amended on June 14, 2011. These bills proposed to dramatically modify the Law as part of the fiscal year 2011-12 State budget legislation. ABx1 26 would dissolve redevelopment agencies statewide effective October 1, 2011 and suspend all redevelopment activities as of its effective date. ABx1 27 would allow redevelopment agencies to avoid dissolution by opting into a voluntary program requiring them to make substantial annual contributions to local school and special

districts. The bills were signed by the Governor in late June 2011 and were challenged by a suit filed before the California Supreme Court by the CRA. On December 29, 2012, the Supreme Court ruled that ABx1 27 was unconstitutional and that ABx1 26 was not unconstitutional. On June 27, 2012, the legislature passed and the Governor signed Assembly Bill 1484. This legislation made certain revisions to the language of ABx1 26 based on experience after its implementation.

Once the obligations of the former redevelopment agencies have been recognized as Enforceable Obligations, the Successor Agency is obliged to manage the repayment of those Enforceable Obligations through the annual adoption of ROPS by the Oversight Board that is made up of representatives of taxing entities within the former redevelopment agency. Membership of the Oversight Board is dictated by Section 34179 of the Law. Effective July 1, 2018, there will be a single Oversight Board in each county, except for Los Angeles County that will have 5 Oversight Boards, that will be responsible for adoption of ROPS for all successor agencies in the county. The ROPS establishes the amounts that may be paid by the Successor Agency on the former redevelopment agency's debts during the six-month periods following payments to the Successor Agency from the RPTTF by the County Auditor-Controller on January 2 and June 1 of each year.

In 2015 the legislature approved SB 107. Among the changes to the dissolution statutes that were included in SB 107 was the affirmative elimination of the effectiveness of time and tax increment limits from the redevelopment plans of the former project areas. Section 34189(a) now provides that the elimination of these limits will not result in the restoration or continuation of funding for projects whose contractual terms specified that project funding would cease once the limitations in the redevelopment plans had been reached. It doesn't appear that any of the obligations of the Successor Agency will be affected by this change to the law.

Numerous lawsuits have been filed on various aspects of ABx1 26 and AB 1484 which could impact the dissolution of redevelopment agencies. Our projections could be impacted as a result of future court decisions.

## **VII. Tax Sharing Agreements and Other Obligations**

When the Project Area component project areas were adopted, the Former RDA entered into a number of tax sharing agreements with affected taxing entities. A discussion of the terms of these agreements follows.

### **A. Tax Sharing Agreements**

The Former RDA entered into five tax sharing agreements that affect the revenues of the Project Area. The Former RDA entered into an agreement with the Southwestern Community College District on August 6, 1991 that is applicable to all component project areas except the Harbor District. This agreement required that the District receive 42% of the District's share (4.75%) of general levy tax increment revenue. In addition, the Former RDA entered into a tax sharing agreement with the San Diego County Office of Education that required payments to the Office of Education of its full share (2.12%) of general levy tax increment revenue. This agreement also applies to all component project areas other than Harbor District. The Office of Education's share of the general levy is made up of ten subsidiary entities that operate within the jurisdiction of the Office of Education.

The Former RDA has also entered into an agreement with the County of San Diego that applies to all component project areas except Harbor District. This agreement required the Former RDA to make payments of a fixed amount to the County annually through fiscal year 2009-10. These fixed amounts are determined by the agreement to be subordinate to payment of debt service on bonded indebtedness by the Former RDA and the obligation to make these payments has expired. In addition, the agreement required that through fiscal year 2014-15 the Former RDA pay to the County its share (14.99%) of general levy tax increment revenue derived from annual assessed value growth that was above a level of value that is calculated from 6% compounded annual growth in assessed value above the Project Area's 1997-98 assessed value, excluding Harbor District.

In the years prior to 2014-15, the Project Area's assessed values never exceeded this compounded assessed value growth. By the terms of the agreement, beginning in fiscal year 2015-16 the County began to receive its full share (14.99%) of general levy tax increment revenue from all component sub-areas other than Harbor District.

The Former RDA entered into agreements with the Sweetwater Union High School District and the National School District that provided for these districts to receive one-time payments of \$3 million each for use on capital improvement projects within National City. These payments were made prior to January 1992. The payments discharged all future tax sharing obligations of the Former RDA.

Chapter 942 of the Statutes of 1994 required that for redevelopment projects adopted after January 1, 1994, tax sharing payments were to be made in accordance with a formula outlined in the statute and that negotiated tax sharing agreements were no longer allowed. Despite this prohibition, on December 3, 1996 and after negotiations with the County Chief Administrative Office, the Former RDA requested that the County agree to an amendment of the agreement that was applicable to the component project areas other than the Harbor District outlined above and that was intended to mandate tax sharing payments from revenues of the Harbor District component area. This amendment required the Former RDA to pay to the County 65% of its share of general levy tax increment revenue on annual assessed value growth of 5 percent or less. The agreement further required that the Former RDA pay to the County 100% of its share of general levy tax increment derived from annual assessed value growth that is above 5 percent. The agreement provided that beginning in fiscal year 2015-16, the Former RDA would pay the County 100% of its share of general levy tax increment revenue.

A signed version of this amendment has not been produced by the Former RDA and, prior to dissolution, the County Auditor-Controller never invoiced the Former RDA any Harbor District tax sharing amounts other than the statutory tax sharing amounts. The amendment of the Former RDA's agreement with San Diego County to include the Harbor District appeared to be contrary to the requirements of Chapter 942. Since the payments outlined in this amendment to the agreement has never been applied, we have assumed that the amendment to the negotiated tax sharing agreement may not be enforced and that only the statutory payment requirements will be paid from within Harbor District.

### **B. Statutory Tax Sharing Payments**

With the adoption of Ordinance 2004-237 and by eliminating the time limit on incurring indebtedness for all component projects except the Harbor District, the Former RDA was required

to make statutory tax sharing payments to those taxing entities that have not entered into tax sharing agreements. As the result of their having entered into tax sharing agreement, no statutory payments are made to the County General Fund, the San Diego County Office of Education, the Southwestern Community College District, Sweetwater Union High School District and National School District. Within all component project areas, excluding the Harbor District, tax sharing payments will be made to all taxing entities that are not subject to tax sharing agreements in accordance with the three-tiered formulas for statutory tax sharing payments required of those project areas adopted after January 1, 1994. Since the time limit on incurrence of new debt for these project areas was passed on January 1, 2004, these statutory tax-sharing payments began in the following fiscal year, 2004-05. According to the Law, these statutory tax sharing payments will continue until the termination date of each component project area.

Beginning in 2004-05 and using each component project area's 2003-04 assessed values as a base value but excluding the Harbor District, the Former RDA was obligated to pay the combined taxing entities 25% of the revenue generated by the component project area's annual incremental value net of the Housing Set-Aside requirement. Beginning in 2014-15 and using the project area's 2013-14 assessed values as a base value for the second tier of statutory tax sharing payments, the Former RDA was additionally obligated to pay the combined taxing entities 21% of the revenue generated by the component project area's annual second tier of incremental value net of the Housing Set-Aside requirement. The third tier of statutory tax sharing payments will not be initiated before the termination of the redevelopment plan.

Within the Harbor District, these statutory tax sharing payments began in 2001-02, the first year that the component project area received tax increment revenue. The Former RDA is obligated to pay all taxing entities on a prorated basis 25% of the revenue generated by the component project area's annual incremental value net of the Housing Set-Aside requirement. Beginning in 2011-012 and using the project area's 2010-11 assessed values as a base value for the second tier of statutory tax sharing payments, the Former RDA was additionally obligated to pay the taxing entities 21% of the revenue generated by the Harbor District's annual second tier of incremental value net of the Housing Set-Aside requirement. The third tier of statutory tax sharing payments will be initiated in fiscal year 2031-32 and using the component project area's 2030-31 assessed values as a base value, the Former RDA will additionally be obligated to pay the taxing entities 14% of the revenue generated by the Harbor District's annual third tier of incremental value net of the Housing Set-Aside requirement

**VIII. Transfers of Ownership**

Value will be added to the projected values for fiscal year 2018-19 as the result of transfers of ownership that occurred after the January 1, 2017 lien date for the 2017-18 tax roll. These parcel transfers will add new value to the 2018-19 tax rolls as illustrated in Table L below.

<b>Table L</b>		
<b>Value Added to Projected Tax Rolls</b>		
<b>From Transfers of Ownership</b>		
	No. of Transfers of Ownership	Value To Be Added
Value added to 2018-19 Tax Roll	131	\$36,962,087

## IX. Trended Taxable Value Growth

In accordance with Proposition 13, growth in real property land and improvement values may reflect the year-to-year inflationary rate not to exceed 2% for any given year. A 2% growth rate is the maximum inflationary growth rate permitted by law and this rate of growth has been realized in all but ten years since 1981. The years in which less than 2% growth was realized included fiscal years 1983-84 (1.0%), 1995-96 (1.19%), 1996-97 (1.11%), 1999-00 (1.85%), 2004-05 (1.867%), 2010-11 (-0.237%), 2011-12 (0.753%), 2014-15 (0.454%), 2015-16 (1.998%) and 2016-17 (1.525%). The Board announced on December 13, 2016 that the annual inflationary adjustment for 2017-18 would be 2%. We have assumed this same adjustment in all subsequent fiscal years. Future values will also be impacted by changes of ownership and new construction not reflected in our projections. In addition, the values of property previously reduced in value due to assessment appeals based on reduced market values could increase more than 2% when real estate values increase more than 2% (see Section IV A above). Seismic activity and environmental conditions such as hazardous substances that are not anticipated in this Report might also impact taxable assessed values and Gross Revenues. HdL Coren & Cone makes no representation that taxable assessed values will actually grow at the rate projected.

Anticipated revenues could be adjusted as a result of unidentified assessment appeal refunds, other Assessor corrections discussed previously, or unanticipated increases or decreases in property tax values. Estimated valuations from developments included in this analysis are based upon our understanding of the general practices of the County Assessor and County Auditor-Controller's Office. General assessment practices are subject to policy changes, legislative changes, and the judgment of individual appraisers. While we believe our estimates to be reasonable, taxable values resulting from actual appraisals may vary from the amounts assumed in the projections.

# Successor Agency to the CDC as National City Redevelopment Agency

## National City Redevelopment Project

### Projection of Incremental Taxable Value & Tax Increment Revenue

(000's Omitted)



9/7/2017

**Table 1**

	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	
<b>Taxable Values (1)</b>											
Real Property (2)	2,169,608	2,244,019	2,288,899	2,334,677	2,381,371	2,428,998	2,477,578	2,527,130	2,577,672	2,629,226	
Personal Property (3)	<u>105,284</u>										
<b>Total Projected Value</b>	<b>2,274,892</b>	<b>2,349,303</b>	<b>2,394,183</b>	<b>2,439,961</b>	<b>2,486,655</b>	<b>2,534,282</b>	<b>2,582,862</b>	<b>2,632,414</b>	<b>2,682,956</b>	<b>2,734,510</b>	
<b>Taxable Value over Base</b>	<b>412,996</b>	<b>1,861,896</b>	<b>1,936,307</b>	<b>1,981,188</b>	<b>2,026,966</b>	<b>2,073,659</b>	<b>2,121,286</b>	<b>2,169,866</b>	<b>2,219,418</b>	<b>2,269,961</b>	<b>2,321,514</b>
Gross Tax Increment Revenue (4)	18,619	19,363	19,812	20,270	20,737	21,213	21,699	22,194	22,700	23,215	
Unitary Tax Revenue	<u>217</u>										
<b>Gross Revenues</b>	<b>18,836</b>	<b>19,580</b>	<b>20,028</b>	<b>20,486</b>	<b>20,953</b>	<b>21,429</b>	<b>21,915</b>	<b>22,411</b>	<b>22,916</b>	<b>23,432</b>	
<b>LESS:</b>											
SB 2557 Admin. Fee (5)	(198)	(205)	(210)	(215)	(220)	(225)	(230)	(235)	(240)	(246)	
Housing Set Aside Requirement (6)	0	0	0	0	0	0	0	0	0	0	
<b>Tax Sharing Payments</b>											
SB 211 Statutory Tax Sharing Tier 1 (7)	(342)	(368)	(383)	(399)	(414)	(430)	(446)	(463)	(480)	(497)	
SB 211 Statutory Tax Sharing Tier 2 (7)	(125)	(143)	(155)	(168)	(180)	(194)	(207)	(221)	(235)	(250)	
SB 211 Statutory Tax Sharing Tier 3 (7)	0	0	0	0	0	0	0	0	0	0	
San Diego County Office of Education (8)	(365)	(380)	(388)	(397)	(406)	(415)	(424)	(434)	(443)	(453)	
Southwestern Community College District (9)	(344)	(358)	(366)	(374)	(383)	(391)	(400)	(409)	(418)	(428)	
County of San Diego (10)	(2,583)	(2,689)	(2,750)	(2,812)	(2,875)	(2,940)	(3,006)	(3,073)	(3,142)	(3,212)	
AB 1290 Statutory Tax Sharing Tier 1 (7)	(320)	(328)	(336)	(345)	(354)	(363)	(372)	(382)	(391)	(401)	
AB 1290 Statutory Tax Sharing Tier 2 (7)	(110)	(116)	(123)	(131)	(138)	(146)	(154)	(161)	(170)	(178)	
AB 1290 Statutory Tax Sharing Tier 3 (7)	<u>0</u>										
<b>Tax Revenues</b>	<b>14,449</b>	<b>14,992</b>	<b>15,316</b>	<b>15,646</b>	<b>15,982</b>	<b>16,325</b>	<b>16,675</b>	<b>17,032</b>	<b>17,396</b>	<b>17,768</b>	

Tax Allocation Bonds/National City 2017 Refunding/National City SA 2017 TARB - Projection v4

# Successor Agency to the CDC as National City Redevelopment Agency

## National City Redevelopment Project

Table 1  
Footnotes

9/7/2017

- (1) Taxable values as reported by San Diego County.
- (2) Real property consists of land and improvements. Increased for inflation at 2.00% annually. Values for 2018-19 are increased by \$37 million for sales occurring after January 1, 2017 and decreased by \$5.8 million for estimated losses on pending appeals.
- (3) Personal property is held constant at 2017-18 level.
- (4) Projected Gross Tax Increment is based upon incremental values factored against the general levy tax rate of \$1.00 per \$100 of taxable value. Per ABx 1 26, all revenue derived from debt service override tax rates will be directed to the levying entities.
- (5) County administration fee is estimated at 1.05% of Gross Revenue.
- (6) Per ABx1 26, the low and moderate income housing requirement is no longer applicable. Debts secured by Housing Set-Aside funds will hereafter be secured by tax revenues allocable to the Successor Agency.
- (7) The last dates to incur new debt for the constituent project areas were established by Ordinance No. 94-2086 pursuant to the Law. These limits were eliminated pursuant to Ordinance No. 2004-2237. The elimination of these limits triggers the initiation of statutory tax sharing payments. Beginning with the fiscal year following a Project Area's time limit to incur new debt is exceeded and using the prior years' values as the tax sharing payments base level of value, Taxing Entities that do not have existing tax sharing agreements begin to receive their shares of 25% of total tax increment revenue net of Housing Set-Aside. In addition, in year 11, these Taxing Entities receive 21% of tax revenue on incremental value above the values for year 10 net of Housing Set-Aside. For the Downtown Amendment Project Area only, in year 31, these Taxing Entities also receive 14% of tax revenue on incremental value above the value for year 30 net of Housing Set-Aside.  
Tax sharing payments are projected through the last date for repayment of indebtedness, during which time a third tier of statutory tax sharing payments would not be initiated for constituent project areas other than the Downtown Amendment. The City is considered a taxing entity and may opt to receive its share of the first tier of this pass through amount. The Harbor District Project Area was adopted after January 1, 1994 and, thus, Taxing Entities receive their shares of 25% of total tax increment revenue. In addition, after year 10, Taxing Entities receive 21% of tax revenue on incremental value above the year 10 value. After year 30, Taxing Entities receive 14% of tax revenue on incremental value above the year 30 value. National City is considered a taxing entity and may elect to receive its share of the tier 1 pass through amount.
- (8) San Diego County Office of Education receives its share (2.12%) of general levy tax increment revenue within the National City Downtown Project Area.
- (9) Southwestern Community College District receives 42% of its share (4.75%) of general levy tax increment revenue within the National City Downtown Project Area.
- (10) Within the National City Downtown Project Area, beginning in fiscal year 1998-99 and ending in 2014-15, San Diego County receives all tax revenue derived from assessed value that is above the assessed value for 1997-98 as adjusted upwards at the rate of 6% annually less an amount equivalent to the 6.87% that is obligated to be paid to the San Diego County Office of Education and to the Southwestern Community College District. Beginning in fiscal year 2015-16, the County shall receive its share (14.99%) of general levy tax increment revenue.  
Within the Harbor District Redevelopment Project, the Former Agency entered into an amendment with to the agreement with the County in which a payment exists that is over an above the statutory payments required under the Law. No payments are being made by the County Auditor-Controller pursuant to this agreement and it is assumed that no payments will be made.

**Successor Agency to the CDC as National City Redevelopment Agency  
National City Redevelopment Project**

**PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE**

(000s Omitted)

**Table 2**



09/07/17

		Taxable Value		Gross Tax Revenue	SB 2557 Charge	Housing Set-Aside	Statutory Tax Sharing Payments			San Diego Co.	Southwestern	County of	Tax
		Total Taxable Value	Over Base Various				Office of Education	Community College	San Diego	Revenues			
1	2017-18	2,274,892	1,861,896	18,836	(198)	0	(663)	(234)	0	(365)	(344)	(2,583)	14,449
2	2018-19	2,349,303	1,936,307	19,580	(205)	0	(696)	(259)	0	(380)	(358)	(2,689)	14,992
3	2019-20	2,394,183	1,981,188	20,028	(210)	0	(720)	(279)	0	(388)	(366)	(2,750)	15,316
4	2020-21	2,439,961	2,026,966	20,486	(215)	0	(744)	(298)	0	(397)	(374)	(2,812)	15,646
5	2021-22	2,486,655	2,073,659	20,953	(220)	0	(768)	(319)	0	(406)	(383)	(2,875)	15,982
6	2022-23	2,534,282	2,121,286	21,429	(225)	0	(793)	(340)	0	(415)	(391)	(2,940)	16,325
7	2023-24	2,582,862	2,169,866	21,915	(230)	0	(819)	(361)	0	(424)	(400)	(3,006)	16,675
8	2024-25	2,632,414	2,219,418	22,411	(235)	0	(845)	(383)	0	(434)	(409)	(3,073)	17,032
9	2025-26	2,682,956	2,269,961	22,916	(240)	0	(871)	(405)	0	(443)	(418)	(3,142)	17,396
10	2026-27	2,734,510	2,321,514	23,432	(246)	0	(898)	(428)	0	(453)	(428)	(3,212)	17,768
11	2027-28	2,787,094	2,374,099	23,958	(251)	0	(925)	(451)	0	(463)	(437)	(3,283)	18,147
12	2028-29	2,840,730	2,427,735	24,494	(257)	0	(954)	(474)	0	(474)	(447)	(3,356)	18,533
13	2029-30	2,895,439	2,482,444	25,041	(263)	0	(982)	(498)	(6)	(484)	(457)	(3,430)	18,921
14	2030-31	2,951,242	2,538,247	25,599	(269)	0	(1,011)	(523)	(12)	(495)	(467)	(3,506)	19,317
15	2031-32	3,008,161	2,595,166	26,168	(275)	0	(1,041)	(548)	(18)	(506)	(477)	(3,583)	19,721
16	2032-33	3,066,219	2,653,224	26,749	(281)	0	(1,071)	(573)	(24)	(517)	(488)	(3,662)	20,133
				<b>363,995</b>	<b>(3,820)</b>	<b>0</b>	<b>(13,802)</b>	<b>(6,371)</b>	<b>(59)</b>	<b>(7,043)</b>	<b>(6,644)</b>	<b>(49,900)</b>	<b>276,356</b>

**Successor Agency to the CDC as National City Redevelopment Agency  
National City Redevelopment Project**



HISTORICAL VALUES (1)

Table 3

9/7/2017

	<b>Revised Base Year (2007-08)</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
<b>Secured (2)</b>											
Land	172,658,413	866,778,166	829,321,140	782,038,700	773,460,323	789,681,266	829,221,664	846,410,530	887,728,162	936,142,489	1,026,880,142
Improvements	207,551,094	935,130,633	890,780,005	892,732,607	892,223,724	909,174,738	951,917,172	978,479,233	1,026,593,234	1,073,139,265	1,192,408,529
Personal Property	4,200,094	2,959,716	2,539,731	2,552,021	2,708,376	26,102,483	2,523,207	2,484,217	2,591,769	2,436,690	3,628,849
Exemptions	<u>(4,336,900)</u>	<u>(56,192,874)</u>	<u>(63,171,772)</u>	<u>(66,945,537)</u>	<u>(68,093,624)</u>	<u>(66,549,621)</u>	<u>(71,289,068)</u>	<u>(71,203,771)</u>	<u>(60,381,447)</u>	<u>(79,146,995)</u>	<u>(103,743,039)</u>
<b>Total Secured</b>	<b>380,072,701</b>	<b>1,748,675,641</b>	<b>1,659,469,104</b>	<b>1,610,377,791</b>	<b>1,600,298,799</b>	<b>1,658,408,866</b>	<b>1,712,372,975</b>	<b>1,756,170,209</b>	<b>1,856,531,718</b>	<b>1,932,571,449</b>	<b>2,119,174,481</b>
<b>Unsecured</b>											
Land	0	0	0	0	0	0	0	0	0	0	0
Improvements	22,569,953	37,639,129	38,937,151	37,423,900	40,484,560	37,888,884	50,031,068	47,117,520	53,648,181	54,029,933	54,062,298
Personal Property	10,714,977	94,803,176	95,001,447	86,794,977	91,976,069	85,306,432	113,372,648	92,284,335	96,159,056	97,114,684	102,735,812
Exemptions	<u>(362,112)</u>	<u>(709,637)</u>	<u>(1,042,185)</u>	<u>(1,414,108)</u>	<u>(1,154,534)</u>	<u>(1,642,755)</u>	<u>(1,544,067)</u>	<u>(1,544,974)</u>	<u>(1,567,597)</u>	<u>(1,373,725)</u>	<u>(1,080,822)</u>
<b>Total Unsecured</b>	<b>32,922,818</b>	<b>131,732,668</b>	<b>132,896,413</b>	<b>122,804,769</b>	<b>131,306,095</b>	<b>121,552,561</b>	<b>161,859,649</b>	<b>137,856,881</b>	<b>148,239,640</b>	<b>149,770,892</b>	<b>155,717,288</b>
<b>GRAND TOTAL</b>	<b>412,995,519</b>	<b>1,880,408,309</b>	<b>1,792,365,517</b>	<b>1,733,182,560</b>	<b>1,731,604,894</b>	<b>1,779,961,427</b>	<b>1,874,232,624</b>	<b>1,894,027,090</b>	<b>2,004,771,358</b>	<b>2,082,342,341</b>	<b>2,274,891,769</b>
		1,467,412,790	1,379,369,998	1,320,187,041	1,318,609,375	1,366,965,908	1,461,237,105	1,481,031,571	1,591,775,839	1,669,346,822	1,861,896,250
			-6.00%	-10.03%	-0.12%	3.54%	6.90%	1.35%	7.48%	4.87%	11.53%

(1) Source: County of San Diego

(2) Secured values include state assessed non-unitary utility property.

Successor Agency to the CDC as National City Redevelopment Agency

National City Redevelopment Project

TOP TEN TAXABLE PROPERTY OWNERS

Fiscal Year 2017-18

Table 4



9/7/2017

	Secured			Unsecured			Total			Property Uses	Project Area
	Assessed Value	Parcels	Percentage	Assessed Value	Parcels	Percentage	Assessed Value	% of Projct Taxable Value	% of Projct Inc. Value		
1. National City Investment LP (Pending Appeals On Parcels)	\$42,750,000	4	2.02%	\$0	0	0.00%	\$42,750,000	1.88%	2.30%	Commercial Offices and Parking	EJ Christman #1
2. Costco Wholesale Corporation	\$10,822,479	1	0.51%	\$30,715,509	2	19.73%	\$41,537,988	1.83%	2.23%	Costco Optical Laboratories	Harbor District Project
3. Conrad Prebys Trust	\$39,082,144	4	1.84%	\$0	0	0.00%	\$39,082,144	1.72%	2.10%	Multi-Family Residential & Commercial	Downtown Project
4. Fenton N C P LLC	\$33,560,138	16	1.58%	\$0	0	0.00%	\$33,560,138	1.48%	1.80%	Non-Contiguous Industrial/Warehouse	EJ Christman #1
5. Dixieline Lumber Company	\$25,721,017	3	1.21%	\$0	0	0.00%	\$25,721,017	1.13%	1.38%	Dixieline Shopping Center	Downtown Project
6. MGP XI US Properties LLC	\$25,398,537	22	1.20%	\$0	0	0.00%	\$25,398,537	1.12%	1.36%	Sweetwater Town & Country Shopping Center	Sweetwater Project
7. ROIC California LLC	\$23,010,720	3	1.09%	\$0	0	0.00%	\$23,010,720	1.01%	1.24%	Bay Plaza Shopping Center	Downtown Project
8. Walmart Real Estate Business Trust	\$19,968,620	1	0.94%	\$2,429,498	3	1.56%	\$22,398,118	0.98%	1.20%	WalMart Discount Retail Store	Downtown Project
9. Harborview Partners LLC	\$22,383,900	1	1.06%	\$0	0	0.00%	\$22,383,900	0.98%	1.20%	Harborview Apartments	Downtown Project
10. Marina Gateway Dev. Corp. LLC	<u>\$20,944,719</u>	<u>5</u>	<u>0.99%</u>	<u>\$1,117,933</u>	<u>1</u>	<u>0.72%</u>	<u>\$22,062,652</u>	0.97%	1.18%	Marina Gateway Hotel and Commercial	Harbor District Project
Totals:	\$263,642,274	60		\$34,262,940	6		\$297,905,214				
Total Assessed Values:	\$2,119,174,481		12.44%	\$155,717,288		22.00%	\$2,274,891,769	13.10%			
Incremental Assessed Value:	1,739,101,780		15.16%	122,794,470		27.90%	1,861,896,250		16.00%		

**Successor Agency to the CDC as National City Redevelopment Agency**  
**National City Redevelopment Project**  
**Transfers of Ownership/New Development**  
**Table 5**



09/07/17

<u>Real Property Value</u>	<u>SqFt/ Units</u>	<u>Value</u>	<u>Total Value</u>	<u>Less</u>		<u>Total Value</u>		<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
				<u>Existing</u>	<u>Added</u>	<u>Start</u>	<u>Complete</u>				
	0	\$0.00	\$0	\$0	\$0			0	0	0	0
	0	\$0.00	\$0	\$0	\$0			0	0	0	0
	0	Lump Sum	\$0	\$0	0			0	0	0	0
Transfers of Ownership after 1/1/2017	131	Lump Sum	<u>\$97,606,509</u>	<u>\$60,644,422</u>	<u>36,962</u>			36,962	0	0	0
<b>Total Real Property Value</b>			<b>\$97,606,509</b>	<b>\$60,644,422</b>	<b>36,962</b>			<b>36,962</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Real Property inc. Inflation Adj. @ 2% per year									\$0	\$0	\$0

Tax Allocation Bonds/National City 2017 Refunding/National City SA 2017 TARB - Projection v4

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY**

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**VERIFICATION REPORT FOR THE  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
AND  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)**

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September 28, 2017

Successor Agency to the Community  
Development Commission as the National  
City Redevelopment Agency  
1243 National City Boulevard  
National City, California 91950

NHA Advisors  
4040 Civic Center Drive, Suite 200  
San Rafael, California 94903

Hilltop Securities Inc.  
2533 South Coast Highway 101, Suite 250  
Cardiff by the Sea, California 92007

Nossaman LLP  
18101 Von Karman Avenue, Suite 1800  
Irvine, California 92612

We have completed our engagement to verify the mathematical accuracy of (a) the computations relating to the adequacy of cash plus U.S. Treasury Securities to be held in two escrow accounts to pay the debt service requirements of the following bonds (herein collectively referred to as the "Refunded Bonds") issued by the Community Development Commission of the City of National City:

- 1999 Tax Allocation Housing Bonds (National City Downtown Redevelopment Project) (herein referred to as the "Refunded 1999 Bonds"),
- 2005 Tax Allocation Refunding Bonds, Series B (National City Redevelopment Project) (herein referred to as the "Refunded 2005B Bonds"), and
- 2011 Tax Allocation Bonds (National City Redevelopment Project) (herein referred to as the "Refunded 2011 Bonds" and collectively with the Refunded 2005B Bonds as the "Refunded 2005B/2011 Bonds"),

and (b) the computations supporting the conclusion of Bond Counsel that the following bonds (herein collectively referred to as the "2017-TE Bonds") to be issued by the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (herein referred to as the "Successor Agency") are not "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, as amended:

- Tax Allocation Refunding Bonds, Series 2017A (herein referred to as the "2017A Bonds"), and
- Tax Allocation Refunding Bonds, Series 2017B (Private Activity-AMT) (herein referred to as the "2017B-TE Bonds").

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We express no opinion as to the attainability of the assumptions underlying the computations or the tax-exempt status of the 2017-TE Bonds. Our verification was performed solely on the information contained in certain schedules of proposed transactions provided by Hilltop Securities, Inc. (herein referred to as the “Placement Agent”). In the course of our engagement to verify the mathematical accuracy of the computations in the schedules provided to us, we prepared Exhibits A through E attached hereto and made a part hereof.

The scope of our engagement consisted of performing the procedures described herein. These procedures were performed in a manner that we deem to be appropriate.

The accompanying exhibits of proposed transactions were prepared on the basis of assumptions underlying the computations and in accordance with the procedures described herein. We did not independently confirm the information used with outside parties.

#### **OUR UNDERSTANDING OF THE TRANSACTION**

The Successor Agency intends to issue the 2017A Bonds on September 28, 2017 to (1) currently refund the Refunded 2005B Bonds and (2) advance refund the Refunded 2011 Bonds.

A portion of the proceeds of the 2017A Bonds will be used to purchase a U.S. Treasury Security (State and Local Government Series) (herein referred to as the “2005B BP Security”) that will be placed into an escrow account, together with (1) cash and a U.S. Treasury Security (State and Local Government Series) (herein referred to as the “2005B DSF Security”) to be purchased with certain amounts to be contributed from the debt service fund associated with the Refunded 2005B Bonds and (2) a U.S. Treasury Security (State and Local Government Series) (herein referred to as the “2005B DSRF Security”) to be purchased with certain amounts to be contributed from the debt service reserve fund associated with the Refunded 2005B Bonds, to currently refund the Refunded 2005B Bonds.

A portion of the proceeds of the 2017A Bonds will be used to purchase U.S. Treasury Securities (herein referred to as the “2011 BP Securities”) that will be placed into an escrow account, together with (1) cash and U.S. Treasury Securities (herein referred to as the “2011 DSF Securities”) to be purchased with certain amounts to be contributed from the debt service fund associated with the Refunded 2011 Bonds and the Project Fund associated with the Refunded 2011 Bonds, and (2) U.S. Treasury Securities (herein referred to as the “2011 DSRF Securities”) to be purchased with certain amounts to be contributed from the debt service reserve fund associated with the Refunded 2011 Bonds (herein referred to as the “2011 DSRF Contribution”), to advance refund the Refunded 2011 Bonds.

Concurrently with the issuance of the 2017A Bonds, the Successor Agency intends to issue its Tax Allocation Refunding Bonds, Taxable Series 2017B (herein referred to as the “2017B-TX Bonds”), as federally taxable obligations that will be exchanged for federally tax-exempt obligations on November 3, 2017 (herein referred to as the “Exchange Date”), to advance refund the Refunded

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1999 Bonds. A portion of the proceeds of the 2017B-TX Bonds will be used to purchase a U.S. Treasury Security (herein referred to as the "1999 BP Security") that will be placed into an escrow account, together with cash and a U.S. Treasury Security (herein referred to as the "1999 DSRF Security") to be purchased with certain amounts to be contributed from the debt service reserve fund associated with the Refunded 1999 Bonds, to advance refund the Refunded 1999 Bonds.

The 2005B DSF Security, the 2005B DSRF Security and the 2005B BP Security are herein collectively referred to as the "2005B Securities". The 2011 DSF Securities, the 2011 DSRF Securities and the 2011 BP Securities are herein collectively referred to as the "2011 Securities". The 1999 DSRF Security and the 1999 BP Security are herein collectively referred to as the "1999 Securities". The 2005B BP Security, the 2011 BP Securities, and the 1999 BP Security are herein collectively referred to as the "Bond Proceeds Securities").

The Escrow Agent will pay the scheduled debt service requirements of the Refunded 1999 Bonds on February 1, 2018 and will redeem the Refunded 1999 Bonds, at a redemption price equal to 100% of par, on February 1, 2018, which is the next permitted optional redemption date for these bonds.

The Escrow Agent will redeem the Refunded 2005B Bonds on October 30, 2017, at a redemption price equal to 100% of par plus accrued interest to such date.

The Escrow Agent will pay the debt service requirements of the Refunded 2011 Bonds on each scheduled payment date through and including August 1, 2021 and will redeem those Refunded Bonds maturing or subject to sinking fund redemption on August 1, 2022 and thereafter, at a redemption price equal to 100% of par, on August 1, 2021, which is the first optional redemption date for these bonds.

### **ESCROW ACCOUNT TRANSACTIONS FOR THE REFUNDED 1999 BONDS**

We verified the mathematical accuracy of the accompanying calculations of the escrow account transactions proposed to advance refund the Refunded 1999 Bonds.

The presently outstanding debt service requirements of the Refunded 1999 Bonds will be satisfied by the purchase of the 1999 Securities (as described in Exhibit A-2) plus \$337.50 in cash. The 1999 Securities and cash will be placed in an irrevocable escrow account and held therein until the Refunded 1999 Bonds are redeemed as previously described.

We read a copy of the Official Statement for the Refunded 1999 Bonds insofar as these obligations are described with respect to principal amounts, interest rates, maturity dates and redemption provisions. We assumed this document to be accurate and all debt service payments on the Refunded 1999 Bonds to be current as of September 28, 2017. We compared the above information set forth in this Official Statement with the related information contained in the schedules provided to us and found the information to be consistent.

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We read a copy of the trade ticket for the 1999 Securities insofar as these securities are described with respect to aggregate maturing principal amount, maturity date and total cost. We compared the above information set forth in such trade ticket with the related information contained in the schedules provided to us and found the information to be consistent.

Based on the assumptions, procedures and information set forth above, the computations provided to us and represented in Exhibits A through A-5, which indicate that the 1999 Securities and cash proposed to be placed in escrow by the Successor Agency will produce the amount necessary to provide for the timely payment of the proposed debt payment schedule on the Refunded 1999 Bonds, are mathematically correct.

#### **ESCROW ACCOUNT TRANSACTIONS FOR THE REFUNDED 2005B/2011 BONDS**

We verified the mathematical accuracy of the accompanying calculations of the escrow account transactions proposed to refund the Refunded 2005B/2011 Bonds.

The presently outstanding debt service requirements of the Refunded 2005B/2011 Bonds will be satisfied by the purchase of the 2005B Securities (as described in Exhibit B-7) and the 2011 Securities (as described in Exhibit B-8) plus \$659.07 in cash. The 2005B Securities, the 2011 Securities and cash will be placed in an irrevocable escrow account and held therein until the Refunded 2005B/2011 Bonds are redeemed as previously described.

We read copies of the Official Statements for the Refunded 2005B/2011 Bonds insofar as these obligations are each described with respect to principal amounts, interest rates (excluding the interest rate for the term bonds maturing on August 1, 2024 and August 1, 2032 for the Refunded 2011 Bonds), maturity dates and redemption provisions. We read a copy of the Third Supplemental Indenture of Trust for the Refunded 2011 Bonds insofar as these obligations are described with respect to principal amounts, interest rates, maturity dates and redemption provisions. We assumed these documents to be accurate and all debt service payments on the Refunded 2005B/2011 Bonds to be current as of September 28, 2017. We compared the above information set forth in these documents with the related information contained in the schedules provided to us and found the information to be consistent.

We compared the subscribed interest rates of the 2005B Securities with the maximum allowable interest rate as published in the SLGS Daily Rate Table by the Bureau of the Fiscal Service for September 20, 2017 and found the subscribed rate to be less than or equal to the maximum allowable rate that was in effect on the subscription date for the applicable maturity date.

We read copies of the trade tickets for the 2011 Securities insofar as these securities are described with respect to maturing principal amounts, interest rates, maturity dates and total cost. We compared the above information set forth in such trade tickets with the related information contained in the schedules provided to us and found the information to be consistent.

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Based on the assumptions, procedures and information set forth above, the computations provided to us and represented in Exhibits B through B-13, which indicate that the 2005B Securities, the 2011 Securities and cash proposed to be placed in escrow by the Successor Agency will produce the amounts necessary to provide for the timely payment of the proposed debt payment schedule on the 2005B/2011 Refunded Bonds, are mathematically correct.

### **BLENDYIELD ON THE 2017-TE BONDS**

We verified the mathematical accuracy of the accompanying computations of the blended yield on the 2017-TE Bonds as of September 28, 2017. For purposes of this calculation, yield is defined as the rate of interest which, using the assumptions and procedures set forth herein, discounts the combined payments to be made on the 2017-TE Bonds, net of the value of the 2017B-TE Bonds as of the Exchange Date, to an amount equal to the target purchase price of the 2017A Bonds. The computations were made using a 360-day year with interest compounded semi-annually and treated the \$45,874,000.00 par value of the 2017A Bonds as the target purchase price.

Based upon the assumptions, procedures and information set forth above, the computations provided to us and represented in Exhibits C through C-2, which indicate that the blended yield on the 2017-TE Bonds is 2.48420%, are mathematically correct.

### **YIELD ON THE INVESTMENT IN THE 2011 DSRF SECURITIES**

We verified the mathematical accuracy of the accompanying computation of the yield on the investment in the 2011 DSRF Securities based on an assumed settlement date of September 28, 2017 and a purchase price of \$4,151,295.87. For purposes of this calculation, yield is defined as the rate of interest which, using the assumptions and procedures set forth herein, discounts the cash receipts from the 2011 DSRF Securities to an amount equal to the purchase price of the 2011 DSRF Securities. The computations were made using a 360-day year with interest compounded semi-annually and were based on the dates the funds are to be received in the escrow account and assume that all cash balances are not reinvested.

Based upon the procedures and information set forth above, the computations provided to us and represented in Exhibit D, which indicate that the yield on the 2011 DSRF Securities is 1.66440%, are mathematically correct.

### **YIELD ON THE INVESTMENT IN THE BOND PROCEEDS SECURITIES**

We verified the mathematical accuracy of the accompanying computation of the yield on the investment in the Bond Proceeds Securities based on an assumed settlement date of September 28, 2017 and an aggregate purchase price of \$48,241,751.01. For purposes of this calculation, yield is defined as the rate of interest which, using the assumptions and procedures set forth herein, discounts the combined cash receipts from the Bond Proceeds Securities to an amount equal to the aggregate purchase price of the Bond Proceeds Securities. The computations were made using a

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360-day year with interest compounded semi-annually and were based on the dates the funds are to be received in their respective escrow accounts and assume that all cash balances are not reinvested.

Based upon the procedures and information set forth above, the computations provided to us and represented in Exhibit E, which indicate that the yield on the Bond Proceeds Securities is 1.65657% (which is less than the yield on the 2017-TE Bonds), are mathematically correct.

The 2011 DSRF Securities are to be purchased with the 2011 DSRF Contribution (with such purchases occurring on a pro-rata basis with the proceeds of the 2017A Bonds within the portion of the escrow account for the Refunded 2005B/2011 Bonds that is allocable to the refunding of the Refunded 2011 Bonds). A portion of such securities (herein referred to as the “Transferred Securities”) will transfer on August 1 of each year from 2018 through 2020 to become proceeds of the 2017A Bonds. The computations in this report do not take the transfer of the Transferred Securities into account. However, the blended yield on the Bond Proceeds Securities and the Transferred Securities would not exceed the yield on the 2011 DSRF Securities (which is less than the yield on the 2017-TE Bonds) if the transfer of the Transferred Securities were taken into account.

**USE OF THIS REPORT**

It is understood that this report is solely for the information of and assistance to the addressees hereof in connection with the issuance of the 2017-TE Bonds and the 2017B-TX Bonds (herein collectively referred to as the “2017 Bonds”) and is not to be used, relied upon, circulated, quoted or otherwise referred to for any other purpose without our written consent, except that (i) reference may be made to the report in the purchase contract or in any closing documents pertaining to the issuance of the 2017 Bonds, (ii) the report may be used in its entirety as an exhibit to the escrow agreements for the Refunded Bonds, (iii) the report may be included in the transcripts pertaining to the issuance of the 2017 Bonds, (iv) the report may be relied upon by Bond Counsel in connection with its opinions concerning the Refunded Bonds and the 2017-TE Bonds, (v) the report may be relied upon by any rating agency or bond insurer that shall have rated or insured or that will rate or insure the Refunded Bonds or the 2017 Bonds, and (vi) the report may be relied upon by the Escrow Agent for the Refunded Bonds.

\* \* \* \* \*

The scope of our engagement is deemed by the addressees hereto to be sufficient to assist such parties in evaluating the mathematical accuracy of the various computations cited above. The sufficiency of this scope is solely the responsibility of the specified users of this report and should not be taken to supplant any additional inquiries or procedures that the users would undertake in their consideration of the issuance of the bonds related to the transaction described herein. We make no representation regarding the sufficiency of the scope of this engagement. This report should not be used by any party who does not agree to the scope set forth herein and who does not take responsibility for the sufficiency and appropriateness of such scope for their purposes.

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Development Commission as the  
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Causey Demgen & Moore P.C. is registered and licensed to practice as an Accountancy Corporation in the State of California.

We have no obligation to update this report because of events, circumstances, or transactions occurring subsequent to the date of this report.

Very truly yours,

*Causey Demgen & Moore P.C.*

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)

ESCROW ACCOUNT CASH FLOW  
FOR THE REFUNDED 1999 BONDS  
AS OF SEPTEMBER 28, 2017

Date	Cash Receipt from the:		Total Cash Receipts	Cash Disbursement From Escrow (Exhibit A-5)	Cash Balance
	1999 DSRF Security (Exhibit A-1)	1999 BP Security (Exhibit A-2)			
Beginning Balance:					\$337.50
31-Jan-18	\$335,985.72	\$2,648,014.28	\$2,984,000.00		2,984,337.50
01-Feb-18				\$2,984,337.50	0.00
	<u>\$335,985.72</u>	<u>\$2,648,014.28</u>	<u>\$2,984,000.00</u>	<u>\$2,984,337.50</u>	

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)

CASH RECEIPT FROM THE 1999 DSRF SECURITY  
AS OF SEPTEMBER 28, 2017

	\$335,985.72	
	0.000%	Total
Payment	T-Strip	Cash
Date	31-Jan-18	Receipt
31-Jan-18	\$335,985.72	\$335,985.72
	\$335,985.72	\$335,985.72

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
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TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)

CASH RECEIPT FROM THE 1999 BP SECURITY  
AS OF SEPTEMBER 28, 2017

	\$2,648,014.28	
	0.000%	Total
Payment	T-Strip	Cash
Date	31-Jan-18	Receipt
31-Jan-18	\$2,648,014.28	\$2,648,014.28
	\$2,648,014.28	\$2,648,014.28

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION**  
**AS THE NATIONAL CITY REDEVELOPMENT AGENCY**  
**TAX ALLOCATION REFUNDING BONDS, SERIES 2017A**  
**TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B**  
**TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)**

**DESCRIPTION OF THE 1999 SECURITIES**  
**AS OF SEPTEMBER 28, 2017**

Type	Settlement Date	Maturity Date	Par Amount	Coupon Rate	Price	Total Purchase Price
<b>1999 DSRF Security</b>						
T-Strip	28-Sep-17	31-Jan-18	\$335,985.72	0.000%	99.618325%	\$334,703.35
<b>1999 BP Security</b>						
T-Strip	28-Sep-17	31-Jan-18	2,648,014.28	0.000%	99.618325%	2,637,907.48
			<u>\$2,984,000.00</u>			<u>\$2,972,610.83</u>

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
 AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
 TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
 TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
 TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)

PROOF OF PROPORTIONALITY FOR THE REFUNDED 1999 BONDS  
 AS OF SEPTEMBER 28, 2017

Period Ending	Requirement Met By 1999 BP Security		Requirements Met By 1999 DSRF Security		Difference
	Requirements	Cumulative Requirements as a Percentage of Total	Requirements	Cumulative Requirements as a Percentage of Total	
01-Feb-18	\$2,648,313.77	\$2,648,313.77	\$336,023.73	\$336,023.73	0.00000%
	<u>\$2,648,313.77</u>		<u>\$336,023.73</u>	<u>\$336,023.73</u>	

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
 AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
 TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
 TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
 TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)

ESCROW ACCOUNT DISBURSEMENT REQUIREMENT  
 FOR THE REFUNDED 1999 BONDS  
 AS OF SEPTEMBER 28, 2017

Payment Date	Rate	Payment For		
		Principal Redeemed	Interest	Total
01-Feb-18	Various	\$2,910,000.00	\$74,337.50	\$2,984,337.50
		\$2,910,000.00	\$74,337.50	\$2,984,337.50

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION**  
**AS THE NATIONAL CITY REDEVELOPMENT AGENCY**  
**TAX ALLOCATION REFUNDING BONDS, SERIES 2017A**  
**TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B**  
**TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)**

**DEBT SERVICE REQUIREMENTS FOR THE REFUNDED 1999 BONDS**  
**ASSUMING NO OPTIONAL REDEMPTIONS PRIOR TO MATURITY**  
**AS OF SEPTEMBER 28, 2017**

(FOR INFORMATIONAL PURPOSES ONLY)

Payment Date	Rate	Payment For		Total Debt Payment
		Principal	Interest	
01-Feb-18			\$74,337.50	\$74,337.50
01-Aug-18	5.000%	\$180,000.00	74,337.50	254,337.50
01-Feb-19			69,837.50	69,837.50
01-Aug-19	5.000%	190,000.00	69,837.50	259,837.50
01-Feb-20			65,087.50	65,087.50
01-Aug-20	5.125%	200,000.00	65,087.50	265,087.50
01-Feb-21			59,962.50	59,962.50
01-Aug-21	5.125%	210,000.00	59,962.50	269,962.50
01-Feb-22			54,581.25	54,581.25
01-Aug-22	5.125%	220,000.00	54,581.25	274,581.25
01-Feb-23			48,943.75	48,943.75
01-Aug-23	5.125%	235,000.00	48,943.75	283,943.75
01-Feb-24			42,921.88	42,921.88
01-Aug-24	5.125%	245,000.00	42,921.88	287,921.88
01-Feb-25			36,643.75	36,643.75
01-Aug-25	5.125%	260,000.00	36,643.75	296,643.75
01-Feb-26			29,981.25	29,981.25
01-Aug-26	5.125%	270,000.00	29,981.25	299,981.25
01-Feb-27			23,062.50	23,062.50
01-Aug-27	5.125%	285,000.00	23,062.50	308,062.50
01-Feb-28			15,759.38	15,759.38
01-Aug-28	5.125%	300,000.00	15,759.38	315,759.38
01-Feb-29			8,071.88	8,071.88
01-Aug-29	5.125%	315,000.00	8,071.88	323,071.88
		<u>\$2,910,000.00</u>	<u>\$1,058,381.28</u>	<u>\$3,968,381.28</u>

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
 AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
 TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
 TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
 TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)

2005B/2011 ESCROW ACCOUNT CASH FLOW  
 FOR THE REFUNDED 2005B/2011 BONDS  
 AS OF SEPTEMBER 28, 2017

Date	Cash Receipts from the:				Total Cash Receipts	Disbursements From Escrow (Exhibit B-11)	Cash Balance
	2005B DSF Security (Exhibit B-1)	2005B DSRF Security (Exhibit B-2)	2005B BP Security (Exhibit B-3)	2005B DSF Security (Exhibit B-4)			
Beginning Balance:							\$659.07
30-Oct-17	\$775.05	\$307,202.25	\$8,077,203.49		\$8,385,180.79	\$8,385,181.17	658.69
31-Jan-18			\$1,921.96	\$42,394.00	\$383,300.93		428,275.58
01-Feb-18			770,000.00		770,000.00	1,197,850.00	425.58
31-Jul-18			281,479.30	222,194.00	2,008,943.59	2,512,616.89	2,513,042.47
01-Aug-18						2,512,850.00	192.47
31-Jan-19				116,047.87	1,049,234.64	1,165,282.51	1,165,474.98
01-Feb-19					259,988.05	1,164,975.00	499.98
31-Jul-19					2,610,642.51	2,609,975.00	2,611,142.49
01-Aug-19						2,609,975.00	1,167.49
31-Jan-20				112,185.30	1,014,311.58	1,127,043.75	1,127,664.37
01-Feb-20					263,599.78	1,127,043.75	620.62
31-Jul-20					2,646,909.38	2,647,530.00	2,647,530.00
01-Aug-20						2,647,043.75	486.25
31-Jan-21				107,908.82	975,646.18	1,083,555.00	1,084,041.25
01-Feb-21						1,083,343.75	697.50
31-Jul-21				3,264,252.41	29,513,393.84	32,777,646.25	32,778,343.75
01-Aug-21						32,778,343.75	0.00
	<b>\$775.05</b>	<b>\$307,202.25</b>	<b>\$8,077,203.49</b>	<b>\$1,053,401.26</b>	<b>\$4,388,570.23</b>	<b>\$53,505,947.10</b>	<b>\$53,506,606.17</b>

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)

CASH RECEIPT FROM THE 2005B DSF SECURITY  
AS OF SEPTEMBER 28, 2017

	\$774.39	
	0.970%	Total
Payment	SLGS (1)	Cash
<u>Date</u>	<u>30-Oct-17</u>	<u>Receipt</u>
30-Oct-17	\$775.05	\$775.05
	\$775.05	\$775.05

(1) U.S. Treasury Certificate of Indebtedness (State and Local Government Series).

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)

CASH RECEIPT FROM THE 2005B DSRF SECURITY  
AS OF SEPTEMBER 28, 2017

	\$306,941.22	
	0.970%	Total
Payment	SLGS (1)	Cash
Date	30-Oct-17	Receipt
30-Oct-17	\$307,202.25	\$307,202.25
	\$307,202.25	\$307,202.25

(1) U.S. Treasury Certificate of Indebtedness (State and Local Government Series).

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)

CASH RECEIPT FROM THE 2005B BP SECURITY  
AS OF SEPTEMBER 28, 2017

	\$8,070,340.39	
	0.970%	Total
Payment	SLGS (1)	Cash
Date	30-Oct-17	Receipt
30-Oct-17	\$8,077,203.49	\$8,077,203.49
	\$8,077,203.49	\$8,077,203.49

(1) U.S. Treasury Certificate of Indebtedness (State and Local Government Series).

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
 AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
 TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
 TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
 TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)

CASH RECEIPTS FROM THE 2011 DSF SECURITIES  
 AS OF SEPTEMBER 28, 2017

	\$770,000.00	\$279,557.34	
	0.000%	1.375%	Total
Payment	T-Bill	T-Note	Cash
Date	01-Feb-18	31-Jul-18	Receipts
31-Jan-18		\$1,921.96	\$1,921.96
01-Feb-18	\$770,000.00		770,000.00
31-Jul-18		281,479.30	281,479.30
	\$770,000.00	\$283,401.26	\$1,053,401.26

EXHIBIT B-5

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
 AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
 TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
 TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
 TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)

CASH RECEIPTS FROM THE 2011 DSRF SECURITIES  
 AS OF SEPTEMBER 28, 2017

Payment Date	T-Note 31-Jul-18	T-Note 31-Jan-19	T-Note 31-Jul-19	T-Note 31-Jan-20	T-Note 31-Jul-20	T-Note 31-Jan-21	T-Note 31-Jul-21	Total Cash Receipts
31-Jan-18	\$1,236.13	\$561.67	\$1,508.32	\$456.86	\$1,827.87	\$488.85	\$36,314.30	\$42,394.00
31-Jul-18	181,036.13	561.67	1,508.32	456.86	1,827.87	488.85	36,314.30	222,194.00
31-Jan-19		75,451.67	1,508.32	456.86	1,827.87	488.85	36,314.30	116,047.87
31-Jul-19			220,900.17	456.86	1,827.87	488.85	36,314.30	259,988.05
31-Jan-20				73,554.28	1,827.87	488.85	36,314.30	112,185.30
31-Jul-20					226,796.63	488.85	36,314.30	263,599.78
31-Jan-21						71,594.52	36,314.30	107,908.82
31-Jul-21							3,264,252.41	3,264,252.41
	\$182,272.26	\$76,575.01	\$225,425.13	\$75,381.72	\$235,935.98	\$74,527.62	\$3,518,452.51	\$4,388,570.23

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
 AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
 TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
 TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
 TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)

CASH RECEIPTS FROM THE 2011 BP SECURITIES  
 AS OF SEPTEMBER 28, 2017

Payment Date	1.375%		1.500%		1.375%		1.250%		1.625%		1.375%		2.250%		Total Cash Receipts
	T-Note 31-Jul-18	\$677,110.00	T-Note 31-Jan-19	\$660,902.58	T-Note 31-Jul-19	\$642,894.33	T-Note 31-Jan-20	\$2,034,031.24	T-Note 31-Jul-20	\$4,419.90	T-Note 31-Jan-21	\$29,185,061.89	T-Note 31-Jul-21	\$383,300.93	
31-Jan-18	\$11,176.29	\$5,078.33	\$13,637.31	\$4,130.64	\$16,526.51	\$4,419.90	\$16,526.51	\$4,419.90	\$328,331.95	\$4,419.90	\$328,331.95	\$328,331.95	\$328,331.95	\$383,300.93	
31-Jul-18	1,636,818.95	5,078.33	13,637.31	4,130.64	16,526.51	4,419.90	16,526.51	4,419.90	328,331.95	4,419.90	328,331.95	328,331.95	328,331.95	2,008,943.59	
31-Jan-19		682,188.33	13,637.31	4,130.64	16,526.51	4,419.90	16,526.51	4,419.90	328,331.95	4,419.90	328,331.95	328,331.95	328,331.95	1,049,234.64	
31-Jul-19			1,997,245.46	4,130.64	16,526.51	4,419.90	16,526.51	4,419.90	328,331.95	4,419.90	328,331.95	328,331.95	328,331.95	2,350,654.46	
31-Jan-20				665,033.22	2,050,557.75	4,419.90	2,050,557.75	4,419.90	328,331.95	4,419.90	328,331.95	328,331.95	328,331.95	1,014,311.58	
31-Jul-20						647,314.23			328,331.95	647,314.23			328,331.95	2,383,309.60	
31-Jan-21									29,513,393.84				29,513,393.84	975,646.18	
31-Jul-21									\$31,811,717.49				\$31,811,717.49	\$39,678,794.82	
	\$1,647,995.24	\$692,344.99	\$2,038,157.39	\$681,555.78	\$2,133,190.30	\$673,833.63	\$2,133,190.30	\$673,833.63	\$31,811,717.49	\$673,833.63	\$31,811,717.49	\$31,811,717.49	\$31,811,717.49	\$39,678,794.82	

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION**  
**AS THE NATIONAL CITY REDEVELOPMENT AGENCY**  
**TAX ALLOCATION REFUNDING BONDS, SERIES 2017A**  
**TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B**  
**TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)**

**DESCRIPTION OF THE 2005B SECURITIES**  
**AS OF SEPTEMBER 28, 2017**

Type	Settlement Date	Maturity Date	Par Amount	Coupon Rate	Price	Total Purchase Price
<b>2005B DSF Security</b>						
SLGS	28-Sep-17	30-Oct-17	\$774.39	0.970%	100.000000%	\$774.39
<b>2005B DSRF Security</b>						
SLGS	28-Sep-17	30-Oct-17	306,941.22	0.970%	100.000000%	306,941.22
<b>2005B BP Security</b>						
SLGS	28-Sep-17	30-Oct-17	8,070,340.39	0.970%	100.000000%	8,070,340.39
			<u>\$8,378,056.00</u>			<u>\$8,378,056.00</u>

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)

DESCRIPTION OF THE 2011 SECURITIES  
AS OF SEPTEMBER 28, 2017

Type	Settlement Date	Maturity Date	Par Amount	Coupon Rate	Price	Cost	Accrued Interest	Total Purchase Price
<b>2011 DSF Securities</b>								
T-Bill	28-Sep-17	01-Feb-18	\$770,000.00	0.000%	99.638890%	\$767,219.45		\$767,219.45
T-Note	28-Sep-17	31-Jul-18	279,557.34	1.375%	100.084120%	279,792.50	\$616.28	280,408.78
			<u>1,049,557.34</u>			<u>1,047,011.95</u>	<u>616.28</u>	<u>1,047,628.23</u>
<b>2011 DSRF Securities</b>								
T-Note	28-Sep-17	31-Jul-18	179,800.00	1.375%	100.084120%	179,951.25	396.37	180,347.62
T-Note	28-Sep-17	31-Jan-19	74,890.00	1.500%	100.210210%	75,047.43	180.10	75,227.53
T-Note	28-Sep-17	31-Jul-19	219,391.85	1.375%	99.966380%	219,318.09	483.65	219,801.74
T-Note	28-Sep-17	31-Jan-20	73,097.42	1.250%	99.543220%	72,763.53	146.49	72,910.02
T-Note	28-Sep-17	31-Jul-20	224,968.76	1.625%	100.301190%	225,646.34	586.11	226,232.45
T-Note	28-Sep-17	31-Jan-21	71,105.67	1.375%	99.221760%	70,552.30	156.75	70,709.05
T-Note	28-Sep-17	31-Jul-21	3,227,938.11	2.250%	102.059677%	3,294,423.20	11,644.26	3,306,067.46
			<u>4,071,191.81</u>			<u>4,137,702.14</u>	<u>13,593.73</u>	<u>4,151,295.87</u>
<b>2011 BP Securities</b>								
T-Note	28-Sep-17	31-Jul-18	1,625,642.66	1.375%	100.084120%	1,627,010.15	3,583.70	1,630,593.85
T-Note	28-Sep-17	31-Jan-19	677,110.00	1.500%	100.210210%	678,533.35	1,628.38	680,161.73
T-Note	28-Sep-17	31-Jul-19	1,983,608.15	1.375%	99.966380%	1,982,941.26	4,372.83	1,987,314.09
T-Note	28-Sep-17	31-Jan-20	660,902.58	1.250%	99.543220%	657,883.70	1,324.50	659,208.20
T-Note	28-Sep-17	31-Jul-20	2,034,031.24	1.625%	100.301190%	2,040,157.54	5,299.26	2,045,456.80
T-Note	28-Sep-17	31-Jan-21	642,894.33	1.375%	99.221760%	637,891.07	1,417.25	639,308.32
T-Note	28-Sep-17	31-Jul-21	29,185,061.89	2.250%	102.059677%	29,786,179.80	105,280.35	29,891,460.15
			<u>36,809,250.85</u>			<u>37,410,596.87</u>	<u>122,906.27</u>	<u>37,533,503.14</u>
			<u>\$41,930,000.00</u>			<u>\$42,595,310.96</u>	<u>\$137,116.28</u>	<u>\$42,732,427.24</u>

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
 AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
 TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
 TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
 TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)

PROOF OF PROPORTIONALITY FOR THE REFUNDED 2005B BONDS  
 AS OF SEPTEMBER 28, 2017

Period Ending	Requirements Met By 2005B BP Securities		Requirements Met By 2005B DSRF Securities		Difference
	Requirements	Cumulative Requirements as a Percentage of Total	Requirements	Cumulative Requirements as a Percentage of Total	
30-Oct-17	\$8,077,203.49	\$8,077,203.49	\$307,202.25	\$307,202.25	0.000000%
	<u>\$8,077,203.49</u>		<u>\$307,202.25</u>	<u>\$307,202.25</u>	

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION**  
**AS THE NATIONAL CITY REDEVELOPMENT AGENCY**  
**TAX ALLOCATION REFUNDING BONDS, SERIES 2017A**  
**TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B**  
**TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)**

**PROOF OF PROPORTIONALITY FOR THE REFUNDED 2011 BONDS**  
**AS OF SEPTEMBER 28, 2017**

Period Ending	Requirements Met By 2011 BP Securities		Requirements Met By 2011 DSRF Securities		Difference
	Requirements	Cumulative Requirements as a Percentage of Total	Requirements	Cumulative Requirements as a Percentage of Total	
01-Feb-18	\$382,875.35	0.96494%	\$42,394.00	0.96601%	0.00107%
01-Aug-18	2,009,176.70	6.02854%	222,194.00	6.02903%	0.00049%
01-Feb-19	1,048,927.13	8.67209%	116,047.87	8.67335%	0.00126%
01-Aug-19	2,349,986.95	14.59461%	259,988.05	14.59755%	0.00294%
01-Feb-20	1,014,858.45	17.15230%	112,185.30	17.15386%	0.00156%
01-Aug-20	2,383,443.97	23.15914%	263,599.78	23.16037%	0.00123%
01-Feb-21	975,434.93	25.61747%	107,908.82	25.61923%	0.00176%
01-Aug-21	29,514,091.34	100.00000%	3,264,252.41	100.00000%	0.00000%
	<u>\$39,678,794.82</u>		<u>\$4,388,570.23</u>		

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION**  
**AS THE NATIONAL CITY REDEVELOPMENT AGENCY**  
**TAX ALLOCATION REFUNDING BONDS, SERIES 2017A**  
**TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B**  
**TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)**

**COMBINED ESCROW ACCOUNT DISBURSEMENT**  
**REQUIREMENTS FOR THE REFUNDED 2005B/2011 BONDS**  
**AS OF SEPTEMBER 28, 2017**

Payment Date	Debt Payment For		Total Debt Payment
	Refunded 2005B Bonds (Exhibit B-12)	Refunded 2011 Bonds (Exhibit B-13)	
30-Oct-17	\$8,385,181.17		\$8,385,181.17
01-Feb-18		\$1,197,850.00	1,197,850.00
01-Aug-18		2,512,850.00	2,512,850.00
01-Feb-19		1,164,975.00	1,164,975.00
01-Aug-19		2,609,975.00	2,609,975.00
01-Feb-20		1,127,043.75	1,127,043.75
01-Aug-20		2,647,043.75	2,647,043.75
01-Feb-21		1,083,343.75	1,083,343.75
01-Aug-21		32,778,343.75	32,778,343.75
	<u>\$8,385,181.17</u>	<u>\$45,121,425.00</u>	<u>\$53,506,606.17</u>

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
 AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
 TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
 TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
 TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)

2005B/2011 ESCROW ACCOUNT DISBURSEMENT REQUIREMENTS  
 FOR THE REFUNDED 2005B BONDS  
 AS OF SEPTEMBER 28, 2017

Payment Date	Rate	Payment For		
		Principal Redeemed	Interest	Total
30-Oct-17	Various	\$8,290,000.00	\$95,181.17	\$8,385,181.17
		\$8,290,000.00	\$95,181.17	\$8,385,181.17

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION**  
**AS THE NATIONAL CITY REDEVELOPMENT AGENCY**  
**TAX ALLOCATION REFUNDING BONDS, SERIES 2017A**  
**TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B**  
**TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)**

**ESCROW ACCOUNT DISBURSEMENT REQUIREMENTS**  
**FOR THE REFUNDED 2011 BONDS**  
**AS OF SEPTEMBER 28, 2017**

Payment Date	Rate	Payment For			Total
		Maturing Principal	Principal Redeemed	Interest	
01-Feb-18				\$1,197,850.00	\$1,197,850.00
01-Aug-18	5.000%	\$1,315,000.00		1,197,850.00	2,512,850.00
01-Feb-19				1,164,975.00	1,164,975.00
01-Aug-19	5.250%	1,445,000.00		1,164,975.00	2,609,975.00
01-Feb-20				1,127,043.75	1,127,043.75
01-Aug-20	5.750%	1,520,000.00		1,127,043.75	2,647,043.75
01-Feb-21				1,083,343.75	1,083,343.75
01-Aug-21	Various	1,825,000.00	\$29,870,000.00	1,083,343.75	32,778,343.75
		<u>\$6,105,000.00</u>	<u>\$29,870,000.00</u>	<u>\$9,146,425.00</u>	<u>\$45,121,425.00</u>

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION**  
**AS THE NATIONAL CITY REDEVELOPMENT AGENCY**  
**TAX ALLOCATION REFUNDING BONDS, SERIES 2017A**  
**TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B**  
**TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)**

**DEBT SERVICE REQUIREMENTS FOR THE REFUNDED 2005B BONDS**  
**ASSUMING NO OPTIONAL REDEMPTIONS PRIOR TO MATURITY**  
**AS OF SEPTEMBER 28, 2017**

(FOR INFORMATIONAL PURPOSES ONLY)

Payment Date	Rate	Payment For		Total Debt Payment
		Principal	Interest	
01-Feb-18			\$192,501.25	\$192,501.25
01-Aug-18	4.000%	\$825,000.00	192,501.25	1,017,501.25
01-Feb-19			176,001.25	176,001.25
01-Aug-19	4.000%	855,000.00	176,001.25	1,031,001.25
01-Feb-20			158,901.25	158,901.25
01-Aug-20	4.500%	890,000.00	158,901.25	1,048,901.25
01-Feb-21			138,876.25	138,876.25
01-Aug-21	4.250%	570,000.00	138,876.25	708,876.25
01-Feb-22			126,763.75	126,763.75
01-Aug-22	4.300%	595,000.00	126,763.75	721,763.75
01-Feb-23			113,971.25	113,971.25
01-Aug-23	4.350%	780,000.00	113,971.25	893,971.25
01-Feb-24			97,006.25	97,006.25
01-Aug-24	5.000%	815,000.00	97,006.25	912,006.25
01-Feb-25			76,631.25	76,631.25
01-Aug-25	5.000%	855,000.00	76,631.25	931,631.25
01-Feb-26			55,256.25	55,256.25
01-Aug-26	5.250%	555,000.00	55,256.25	610,256.25
01-Feb-27			40,687.50	40,687.50
01-Aug-27	5.250%	435,000.00	40,687.50	475,687.50
01-Feb-28			29,268.75	29,268.75
01-Aug-28	5.250%	250,000.00	29,268.75	279,268.75
01-Feb-29			22,706.25	22,706.25
01-Aug-29	5.250%	200,000.00	22,706.25	222,706.25
01-Feb-30			17,456.25	17,456.25
01-Aug-30	5.250%	210,000.00	17,456.25	227,456.25
01-Feb-31			11,943.75	11,943.75
01-Aug-31	5.250%	220,000.00	11,943.75	231,943.75
01-Feb-32			6,168.75	6,168.75
01-Aug-32	5.250%	235,000.00	6,168.75	241,168.75
		<u>\$8,290,000.00</u>	<u>\$2,528,280.00</u>	<u>\$10,818,280.00</u>

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION**  
**AS THE NATIONAL CITY REDEVELOPMENT AGENCY**  
**TAX ALLOCATION REFUNDING BONDS, SERIES 2017A**  
**TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B**  
**TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)**

**DEBT SERVICE REQUIREMENTS FOR THE REFUNDED 2011 BONDS**  
**ASSUMING NO OPTIONAL REDEMPTIONS PRIOR TO MATURITY**  
**AS OF SEPTEMBER 28, 2017**

(FOR INFORMATIONAL PURPOSES ONLY)

Payment Date	Rate	Payment For		Total Debt Payment
		Principal	Interest	
01-Feb-18			\$1,197,850.00	\$1,197,850.00
01-Aug-18	5.000%	\$1,315,000.00	1,197,850.00	2,512,850.00
01-Feb-19			1,164,975.00	1,164,975.00
01-Aug-19	5.250%	1,445,000.00	1,164,975.00	2,609,975.00
01-Feb-20			1,127,043.75	1,127,043.75
01-Aug-20	5.750%	1,520,000.00	1,127,043.75	2,647,043.75
01-Feb-21			1,083,343.75	1,083,343.75
01-Aug-21	5.750%	1,825,000.00	1,083,343.75	2,908,343.75
01-Feb-22			1,030,875.00	1,030,875.00
01-Aug-22	6.500%	1,930,000.00	1,030,875.00	2,960,875.00
01-Feb-23			968,150.00	968,150.00
01-Aug-23	6.500%	1,890,000.00	968,150.00	2,858,150.00
01-Feb-24			906,725.00	906,725.00
01-Aug-24	6.500%	2,010,000.00	906,725.00	2,916,725.00
01-Feb-25			841,400.00	841,400.00
01-Aug-25	7.000%	2,140,000.00	841,400.00	2,981,400.00
01-Feb-26			766,500.00	766,500.00
01-Aug-26	7.000%	2,285,000.00	766,500.00	3,051,500.00
01-Feb-27			686,525.00	686,525.00
01-Aug-27	7.000%	2,505,000.00	686,525.00	3,191,525.00
01-Feb-28			598,850.00	598,850.00
01-Aug-28	7.000%	2,880,000.00	598,850.00	3,478,850.00
01-Feb-29			498,050.00	498,050.00
01-Aug-29	7.000%	3,095,000.00	498,050.00	3,593,050.00
01-Feb-30			389,725.00	389,725.00
01-Aug-30	7.000%	3,635,000.00	389,725.00	4,024,725.00
01-Feb-31			262,500.00	262,500.00
01-Aug-31	7.000%	3,625,000.00	262,500.00	3,887,500.00
01-Feb-32			135,625.00	135,625.00
01-Aug-32	7.000%	3,875,000.00	135,625.00	4,010,625.00
		<u>\$35,975,000.00</u>	<u>\$23,316,275.00</u>	<u>\$59,291,275.00</u>

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)**

**BLENDED YIELD ON THE 2017-TE BONDS  
AS OF SEPTEMBER 28, 2017**

Payment Date	Debt Service Requirements for the:			Total Debt Payment	Present Value at September 28, 2017 Using a Semi-Annually Compounded Yield of 2.48420%
	2017A Bonds (Exhibit C-1)	Value at Conversion for the 2017B-TE Bonds (Exhibit C-2)	2017B-TE Bonds (Exhibit C-2)		
03-Nov-17		(\$2,669,000.00)		(\$2,669,000.00)	(\$2,662,601.22)
01-Feb-18	\$390,273.06		\$15,397.16	405,670.22	402,262.61
01-Aug-18	3,535,131.30		230,494.20	3,765,625.50	3,688,183.41
01-Feb-19	534,229.50		29,146.00	563,375.50	545,019.68
01-Aug-19	3,452,229.50		227,146.00	3,679,375.50	3,515,824.44
01-Feb-20	497,900.40		26,809.60	524,710.00	495,234.91
01-Aug-20	3,488,900.40		229,809.60	3,718,710.00	3,466,754.31
01-Feb-21	460,662.45		24,414.20	485,076.65	446,662.99
01-Aug-21	3,383,662.45		232,414.20	3,616,076.65	3,288,865.13
01-Feb-22	424,271.10		21,959.80	446,230.90	400,873.10
01-Aug-22	3,420,271.10		233,959.80	3,654,230.90	3,242,515.84
01-Feb-23	386,970.90		19,458.20	406,429.10	356,212.99
01-Aug-23	3,451,970.90		240,458.20	3,692,429.10	3,196,509.28
01-Feb-24	348,811.65		16,850.40	365,662.05	312,667.35
01-Aug-24	3,487,811.65		240,850.40	3,728,662.05	3,149,158.45
01-Feb-25	309,731.10		14,207.20	323,938.30	270,235.64
01-Aug-25	3,525,731.10		246,207.20	3,771,938.30	3,108,019.64
01-Feb-26	269,691.90		11,469.60	281,161.50	228,830.48
01-Aug-26	3,218,691.90		245,469.60	3,464,161.50	2,784,806.27
01-Feb-27	232,976.85		8,708.40	241,685.25	191,904.80
01-Aug-27	3,166,976.85		248,708.40	3,415,685.25	2,678,874.61
01-Feb-28	196,448.55		5,876.40	202,324.95	156,733.86
01-Aug-28	3,194,448.55		251,876.40	3,446,324.95	2,636,989.80
01-Feb-29	159,123.45		2,973.60	162,097.05	122,508.49
01-Aug-29	3,182,123.45		254,973.60	3,437,097.05	2,565,793.53
01-Feb-30	121,487.10			121,487.10	89,577.50
01-Aug-30	3,469,487.10			3,469,487.10	2,526,811.66
01-Feb-31	79,804.50			79,804.50	57,408.19
01-Aug-31	3,245,804.50			3,245,804.50	2,306,256.66
01-Feb-32	40,387.80			40,387.80	28,344.86
01-Aug-32	3,284,387.80			3,284,387.80	2,276,760.74
	<u>\$54,960,398.86</u>	<u>(\$2,669,000.00)</u>	<u>\$3,079,638.16</u>	<u>\$55,371,037.02</u>	<u>\$45,874,000.00</u>

Dated Date: 28-Sep-17  
Delivery Date: 28-Sep-17

The above aggregate present value of the future payments equals the following:

Par Value of the 2017A Bonds	\$45,874,000.00
Proceeds on Delivery Date	<u>\$45,874,000.00</u>

## EXHIBIT C-1

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)**

**2017A BOND DEBT SERVICE REQUIREMENTS AND PRODUCTION  
AS OF SEPTEMBER 28, 2017**

Payment Date	Rate	Payment For		Total Debt Payment	Reoffering Price	Total Production
		Principal	Interest			
01-Feb-18			\$390,273.06	\$390,273.06		
01-Aug-18	2.490%	\$2,964,000.00	571,131.30	3,535,131.30	100.000%	\$2,964,000.00
01-Feb-19			534,229.50	534,229.50		
01-Aug-19	2.490%	2,918,000.00	534,229.50	3,452,229.50	100.000%	2,918,000.00
01-Feb-20			497,900.40	497,900.40		
01-Aug-20	2.490%	2,991,000.00	497,900.40	3,488,900.40	100.000%	2,991,000.00
01-Feb-21			460,662.45	460,662.45		
01-Aug-21	2.490%	2,923,000.00	460,662.45	3,383,662.45	100.000%	2,923,000.00
01-Feb-22			424,271.10	424,271.10		
01-Aug-22	2.490%	2,996,000.00	424,271.10	3,420,271.10	100.000%	2,996,000.00
01-Feb-23			386,970.90	386,970.90		
01-Aug-23	2.490%	3,065,000.00	386,970.90	3,451,970.90	100.000%	3,065,000.00
01-Feb-24			348,811.65	348,811.65		
01-Aug-24	2.490%	3,139,000.00	348,811.65	3,487,811.65	100.000%	3,139,000.00
01-Feb-25			309,731.10	309,731.10		
01-Aug-25	2.490%	3,216,000.00	309,731.10	3,525,731.10	100.000%	3,216,000.00
01-Feb-26			269,691.90	269,691.90		
01-Aug-26	2.490%	2,949,000.00	269,691.90	3,218,691.90	100.000%	2,949,000.00
01-Feb-27			232,976.85	232,976.85		
01-Aug-27	2.490%	2,934,000.00	232,976.85	3,166,976.85	100.000%	2,934,000.00
01-Feb-28			196,448.55	196,448.55		
01-Aug-28	2.490%	2,998,000.00	196,448.55	3,194,448.55	100.000%	2,998,000.00
01-Feb-29			159,123.45	159,123.45		
01-Aug-29	2.490%	3,023,000.00	159,123.45	3,182,123.45	100.000%	3,023,000.00
01-Feb-30			121,487.10	121,487.10		
01-Aug-30	2.490%	3,348,000.00	121,487.10	3,469,487.10	100.000%	3,348,000.00
01-Feb-31			79,804.50	79,804.50		
01-Aug-31	2.490%	3,166,000.00	79,804.50	3,245,804.50	100.000%	3,166,000.00
01-Feb-32			40,387.80	40,387.80		
01-Aug-32	2.490%	3,244,000.00	40,387.80	3,284,387.80	100.000%	3,244,000.00
		<u>\$45,874,000.00</u>	<u>\$9,086,398.86</u>	<u>\$54,960,398.86</u>		<u>\$45,874,000.00</u>

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)

2017B-TX BOND AND 2017B-TE BOND DEBT SERVICE REQUIREMENTS AND PRODUCTION  
AS OF SEPTEMBER 28, 2017

Payment Date	Rate (1)	Payment For		Taxable Debt Payment	Tax-Exempt Debt Payment	Reoffering Price	Total Production
		Principal	Taxable Interest (1)				
03-Nov-17	3.630%		\$9,419.35		\$9,419.35		
01-Feb-18				\$15,397.16	\$15,397.16		
01-Aug-18	2.360%	\$199,000.00		31,494.20	230,494.20	100.000%	\$199,000.00
01-Feb-19				29,146.00	29,146.00		
01-Aug-19	2.360%	198,000.00		29,146.00	227,146.00	100.000%	198,000.00
01-Feb-20				26,809.60	26,809.60		
01-Aug-20	2.360%	203,000.00		26,809.60	229,809.60	100.000%	203,000.00
01-Feb-21				24,414.20	24,414.20		
01-Aug-21	2.360%	208,000.00		24,414.20	232,414.20	100.000%	208,000.00
01-Feb-22				21,959.80	21,959.80		
01-Aug-22	2.360%	212,000.00		21,959.80	233,959.80	100.000%	212,000.00
01-Feb-23				19,458.20	19,458.20		
01-Aug-23	2.360%	221,000.00		19,458.20	240,458.20	100.000%	221,000.00
01-Feb-24				16,850.40	16,850.40		
01-Aug-24	2.360%	224,000.00		16,850.40	240,850.40	100.000%	224,000.00
01-Feb-25				14,207.20	14,207.20		
01-Aug-25	2.360%	232,000.00		14,207.20	246,207.20	100.000%	232,000.00
01-Feb-26				11,469.60	11,469.60		
01-Aug-26	2.360%	234,000.00		11,469.60	245,469.60	100.000%	234,000.00
01-Feb-27				8,708.40	8,708.40		
01-Aug-27	2.360%	240,000.00		8,708.40	248,708.40	100.000%	240,000.00
01-Feb-28				5,876.40	5,876.40		
01-Aug-28	2.360%	246,000.00		5,876.40	251,876.40	100.000%	246,000.00
01-Feb-29				2,973.60	2,973.60		
01-Aug-29	2.360%	252,000.00		2,973.60	254,973.60	100.000%	252,000.00
		<u>\$2,669,000.00</u>	<u>\$9,419.35</u>	<u>\$410,638.16</u>	<u>\$9,419.35</u>	<u>\$3,079,638.16</u>	<u>\$2,669,000.00</u>

(1) The 2017B-TX Bonds will bear interest at a taxable rate of 3.630% from September 28, 2017 to November 3, 2017 at which point the 2017B-TX Bonds will be exchanged for the 2017B-TE Bonds and will bear interest at a tax-exempt rate of 2.360% from November 3, 2017 to maturity.

**EXHIBIT D**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)**

**YIELD ON THE 2011 DSRF SECURITIES  
AS OF SEPTEMBER 28, 2017**

<b>Date</b>	<b>Cash Receipts From the 2011 DSRF Securities (Exhibit B)</b>	<b>Present Value at September 28, 2017 Using a Semi-Annually Compounded Yield of 1.66440%</b>
31-Jan-18	\$42,394.00	\$42,154.59
31-Jul-18	222,194.00	219,115.76
31-Jan-19	116,047.87	113,495.65
31-Jul-19	259,988.05	252,171.62
31-Jan-20	112,185.30	107,914.44
31-Jul-20	263,599.78	251,471.87
31-Jan-21	107,908.82	102,094.44
31-Jul-21	3,264,252.41	3,062,877.50
	<u>\$4,388,570.23</u>	<u>\$4,151,295.87</u>

Total Cost of the 2011 DSRF Securities \$4,151,295.87

EXHIBIT E

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
 AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
 TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
 TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
 TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)

YIELD ON THE BOND PROCEEDS SECURITIES  
 AS OF SEPTEMBER 28, 2017

Date	Cash Receipts From the:			Total Cash Receipts	Present Value at September 28, 2017 Using a Semi-Annually Compounded Yield of 1.65657%
	1999 BP Security (Exhibit A)	2005B BP Security (Exhibit B)	2011 BP Securities (Exhibit B)		
30-Oct-17		\$8,077,203.49		\$8,077,203.49	\$8,065,367.43
31-Jan-18	\$2,648,014.28		\$383,300.93	3,031,315.21	3,014,276.86
31-Jul-18			2,008,943.59	2,008,943.59	1,981,241.45
31-Jan-19			1,049,234.64	1,049,234.64	1,026,265.92
31-Jul-19			2,350,654.46	2,350,654.46	2,280,309.00
31-Jan-20			1,014,311.58	1,014,311.58	975,874.37
31-Jul-20			2,383,309.60	2,383,309.60	2,274,157.89
31-Jan-21			975,646.18	975,646.18	923,315.49
31-Jul-21			29,513,393.84	29,513,393.84	27,700,942.60
	\$2,648,014.28	\$8,077,203.49	\$39,678,794.82	\$50,404,012.59	\$48,241,751.01

Total Cost of the 1999 BP Securities	\$2,637,907.48
Total Cost of the 2005B BP Securities	8,070,340.39
Total Cost of the 2011 BP Securities	37,533,503.14
	<u>\$48,241,751.01</u>

EXHIBIT F

SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION  
 AS THE NATIONAL CITY REDEVELOPMENT AGENCY  
 TAX ALLOCATION REFUNDING BONDS, SERIES 2017A  
 TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES 2017B  
 TAX ALLOCATION REFUNDING BONDS, SERIES 2017B (PRIVATE ACTIVITY-AMT)

ESTIMATED SOURCES AND USES OF FUNDS  
 AS OF SEPTEMBER 28, 2017

	2017A Bonds	2017B-TX Bonds	Total
Sources of Funds:			
Par Value of Bonds	\$45,874,000.00	\$2,669,000.00	\$48,543,000.00
1999 DSRF Contribution		334,741.36	334,741.36
2005B DSF Contribution	774.77		774.77
2005B DSRF Contribution	306,941.22		306,941.22
2011 DSF Contribution	3,008.92		3,008.92
2011 Bond Proceeds Contribution	1,045,278.00		1,045,278.00
2011 DSRF Contribution	4,151,295.87		4,151,295.87
Total Sources of Funds	<u>\$51,381,298.78</u>	<u>\$3,003,741.36</u>	<u>\$54,385,040.14</u>
Uses of Funds:			
Beginning Escrow Account Cash Balance for the:			
Refunded 1999 Bonds		\$337.50	\$337.50
Refunded 2005B/2011 Bonds	\$659.07		659.07
Cost of the 1999 DSRF Security		334,703.35	334,703.35
Cost of the 1999 BP Security		2,637,907.48	2,637,907.48
Cost of the 2005B DSF Security	774.39		774.39
Cost of the 2005B DSRF Security	306,941.22		306,941.22
Cost of the 2005B BP Security	8,070,340.39		8,070,340.39
Cost of the 2011 DSF Security	1,047,628.23		1,047,628.23
Cost of the 2011 DSRF Security	4,151,295.87		4,151,295.87
Cost of the 2011 BP Security	37,533,503.14		37,533,503.14
Issuance Costs	270,156.47	27,497.56	297,654.03
Deposit to Debt Service Fund		3,295.47	3,295.47
Total Uses of Funds	<u>\$51,381,298.78</u>	<u>\$3,003,741.36</u>	<u>\$54,385,040.14</u>

## CLOSING MEMORANDUM

To: Working Group

From: Eric Scriven, Craig Hill and Mike Meyer

Date: September 27, 2017

RE: Successor Agency to the Community Development Commission as the National City Redevelopment Agency – 2017 Tax Allocation Refunding Bonds – **Series A**

### CLOSING INSTRUCTIONS

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Pre-closing for the 2017 Tax Allocation Bonds, Series A (“2017A Bonds”) is scheduled for **Wednesday, September 27<sup>th</sup>** with the closing scheduled for **Thursday, September 28<sup>th</sup>**. The following items will need to be completed at or prior to closing:

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#### A. CITY TRANSFER

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Prior to Thursday, September 28<sup>th</sup>, the Successor Agency to the Community Development Commission as the National City Redevelopment Agency (the “Agency”) will transfer \$1,045,278.00 to US Bank N.A. (“2017A Escrow Bank”) representing all of the unspent bond proceeds from the prior 2011 Tax Allocation Bonds. The 2017A Escrow Bank shall immediately deposit such funds into the 2011 subaccount of the Escrow Fund (the “2011 Subaccount”). The wire instructions for the Agency Transfer to U.S. Bank are as follows:

<b>Bank:</b>	U.S. Bank, N.A.
<b>ABA #:</b>	091000022
<b>Acct #:</b>	180121167365
<b>Ref:</b>	National City 2005 2011 Ref
<b>Attn:</b>	RM-LA 213-615-6051

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#### B. BOND PROCEEDS WIRE

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Before 8:00 a.m. (PST) on the morning of Thursday September 28<sup>th</sup>, 2017, BBVA Compass Bank (“Purchaser”) will wire \$45,874,000.00 to The Bank of New York Mellon Trust Company, N.A. (the “2017 Trustee”), representing the par amount of the 2017A Bonds. The wire instructions for 2017 Trustee are as follows:

<b>Bank:</b>	The Bank of New York Mellon Trust Company, N.A.
<b>ABA #:</b>	021000018
<b>Acct #:</b>	<b>1034558400</b>
<b>Acct Name:</b>	SA National City RDA <b>2017A</b> Proceeds A/C
<b>Attn:</b>	Georgina Estrada, (213) 630-6245

**C. 2017A ESCROW BANK AND 2017 TRUSTEE DEPOSITS AND TRANSFERS**

Before 8:00 a.m. (PST) on the morning of Thursday September 28th, 2017, U.S. Bank, N.A. will deposit all funds on hand held by it as Prior Trustee for the 2005 Tax Allocation Refunding Bonds, Series B, including the 2005B Debt Service Payment fund (\$774.77) and 2005B Debt Service Reserve Fund (\$306,941.22), into the 2005B subaccount of the Escrow Fund (the “2005B Subaccount”) held by the 2017A Escrow Bank.

Before 8:00 a.m. (PST) on the morning of Thursday September 28th, 2017, U.S. Bank, N.A. will deposit all funds on hand held by it as Prior Trustee for the 2011 Tax Allocation Bonds, including the 2011 Debt Service Payment fund (\$3,008.92) and the 2011 Debt Service Reserve Fund (\$4,151,295.87) into the 2011 Subaccount held by the 2017A Escrow Bank.

Immediately after confirmation from Bond Counsel that the 2017A Bonds financing is closed, the 2017 Trustee will transfer \$45,603,843.53 to the 2017A Escrow Bank, representing the par amount of the 2017A Bonds (\$45,874,000.00) less the costs of issuance (\$270,156.47) for the 2017A Bonds. The wire instructions for the 2017A Escrow Bank are as follows:

<b>Bank:</b>	U.S. Bank, N.A.
<b>ABA #:</b>	091000022
<b>Acct #:</b>	180121167365
<b>Ref:</b>	National City 2005 2011 Ref
<b>Attn:</b>	RM-LA 213-615-6051

From such proceeds of the 2017A Bonds, the 2017A Escrow Bank will deposit \$8,070,340.39 into the 2005B Subaccount and \$37,533,503.14 into the 2011 Subaccount.

The 2017A Trustee will transfer \$270,156.47 of the proceeds from the Purchaser into a Costs of Issuance subaccount for the 2017A Bonds.

**D. APPLICATION OF FUNDS**

All Sources of Funds	
Purchaser Wire (for 2017A Bonds)	\$45,874,000.00
2005B Bonds Debt Service Payment Account	774.77
2005B Bonds Debt Service Reserve Account	306,941.22
2011 Bonds Debt Service Payment Account	3,008.92
2011 Bonds Debt Service Reserve Account	4,151,295.87
2011 Bond Proceeds	1,045,278.00
<b>Total</b>	<b>\$51,381,298.78</b>

All Uses of Funds	
Deposit to 2005B Subaccount	\$8,378,056.38
Deposit to 2011 Subaccount	42,733,085.93
Costs of Issuance for 2017A Bonds	270,156.47
<b>Total</b>	<b>\$51,381,298.78</b>

**E. CLOSING**

Upon confirmation of receipt of amounts described in Section A and B hereof by the 2017A Escrow Bank and confirmation from Bond Counsel that all documents have been executed and opinions have been released, Bond Counsel will circulate an email indicating that the 2017A Bonds financing is closed.

**COST OF ISSUANCE DISBURSEMENTS**

Once the 2017A Bonds financing has been closed, Costs of Issuance may be disbursed by The Bank of New York Mellon Trust Company, N.A. as follows based upon approved invoices submitted to the City.

<b>Cost of Issuance Disbursements</b>	<b>2017A Bonds</b>
Bond and Disclosure Counsel Fee (Nossaman LLP)	\$51,975.98
Bond and Disclosure Counsel Expenses (Nossaman LLP)	945.02
Municipal Advisor Fee (NHA Advisors LLC)	62,500.00
Placement Agent Fee (Hilltop Securities, Inc.)	60,000.00
Fiscal Consultant Fee (HdL Coren Cone)	21,262.90
Purchaser's Counsel (Stradling, Yocca, Carlson & Rauth)	14,175.27
Trustee – Acceptance (1 <sup>st</sup> year in advance) (BNY Mellon)	236.25
Trustee – Annual 1 <sup>st</sup> Year (BNY Mellon)	1,250.00
Trustee Counsel (BNY Mellon)	2,079.04
Escrow Agent for the 2017A Bonds (U.S. Bank)	1,250.00
Escrow Agent for the 2017A Bonds (Redemp./Invest) (U.S. Bank)	1,200.00
Escrow Agent for the 2017A Bonds (Legal Counsel) (U.S. Bank)	1,000.00
Successor Agency Admin. Fee (City of National City)	33,075.62
Verification Agent Fee (Causey Demgen & Moore)	3,307.56
CDIAC Fee (City of National City)	4,725.09
Miscellaneous/Contingency/Rounding (City of National City)	11,173.74
<b>Total</b>	<b>\$270,156.47</b>

**REDEMPTION****REDEMPTION OF 2005B BONDS**

On Monday, October 30, 2017 (“2005B Redemption Date”), the 2005B Bonds will be redeemed using \$8,385,181.17 held in the 2005B Subaccount. As noted above, these funds include \$8,070,340.39 from bond proceeds and \$307,715.99 transferred from existing 2005B Bonds accounts into the 2005B Subaccount. These funds will be invested in State and Local Government Series (“SLGS”) from the closing date until the 2005B Redemption Date, to yield interest earnings of \$7,124.79, which combined with the deposits into the 2005B Subaccount on closing, will be sufficient to meet the escrow requirement on the 2005B Bonds of \$8,385,181.17.

**REDEMPTION OF 2011 BONDS**

On Monday, August 2, 2021 (“2011 Redemption Date”), the 2011 Bonds will be redeemed using \$32,778,343.75 held in the 2011 Subaccount. As noted above, the 2011 Subaccount includes \$37,533,503.14 from bond proceeds, \$1,045,278.00 from the City representing unspent 2011 Bonds proceeds, and \$4,154,304.79 transferred in from existing 2011 Bonds accounts into the 2011 Subaccount. These funds will be invested in Open Market Securities (“OMS”) from the closing date until August 1, 2021 to yield earnings of \$2,388,339.07, which combined with the deposits into the 2011 Subaccount on closing, will be sufficient to fund all principal payments through August 1, 2021 (\$6,105,000), interest payments through August 1, 2021 (\$9,146,425.00), and meet the escrow requirement for the full redemption of 2011 Bonds after August 1, 2021 (\$29,870,000.00).

## CLOSING MEMORANDUM

To: Working Group

From: Eric Scriven, Craig Hill and Mike Meyer

Date: September 27, 2017

RE: Successor Agency to the Community Development Commission as the National City Redevelopment Agency – 2017 Tax Allocation Refunding Bonds – **Series B (Taxable)** AND  
Successor Agency to the Community Development Commission as the National City Redevelopment Agency – 2017 Tax Allocation Refunding Bonds – **Series B (Private Activity – AMT)**

### CLOSING INSTRUCTIONS

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Pre-closing for the 2017 Taxable Tax Allocation Refunding Bonds, Series B (“Taxable 2017B Bonds”) and the 2017 Tax Allocation Refunding Bonds, Series B – Private Activity AMT (“AMT 2017B Bonds”) is scheduled for **Wednesday, September 27<sup>th</sup>** with the closing scheduled for **Thursday, September 28<sup>th</sup>**. The following items will need to be completed at or prior to closing:

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#### **A. BOND PROCEEDS WIRE**

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Before 8:00 a.m. (PST) on the morning of Thursday September 28<sup>th</sup>, 2017, BBVA Compass Bank (“Purchaser”) will wire \$2,669,000.00 to The Bank of New York Mellon Trust Company N.A. (“2017 Trustee” and “2017B Escrow Bank”), representing the par amount of the Taxable 2017B bonds. The wire instructions for 2017 Trustee are as follows:

<b>Bank:</b>	Bank of New York Mellon Trust Company, N.A.
<b>ABA #:</b>	021000018
<b>Acct #:</b>	<b>1034828400</b>
<b>Acct Name:</b>	<b>SA National City RDA 2017B Proceeds A/C</b>
<b>Attn:</b>	Georgina Estrada, (213) 630-6245

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#### **B. 2017B ESCROW BANK AND 2017 TRUSTEE DEPOSITS AND TRANSFERS**

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Upon confirmation of receipt of amount described in Section A hereof by the 2017B Escrow Bank and confirmation from Bond Counsel that all documents have been executed and opinions have been released, Bond Counsel will circulate an email indicating that the 2017B Bonds financing is closed.

Immediately after confirmation from Bond Counsel that the 2017B financing is closed, the Bank of New York Mellon Trust Company, N.A. will deposit all funds on hand held by it as Prior Bond Trustee for the 1999 Tax

Allocation Bonds (“1999 Bonds”), including the applicable Debt Service Reserve Fund (\$334,741.36), into the Escrow Fund established therefor (the “Escrow Fund”) and held by the 2017B Escrow Bank.

The 2017B Trustee will transfer \$2,638,206.97 into the Escrow Fund held by it as the 2017B Escrow Bank.

The 2017B Trustee will transfer \$3,295.47 into the Debt Service Fund for the Taxable 2017B Bonds.

Simultaneously, the 2017B Trustee will transfer \$27,497.56 of the proceeds from the Purchaser into a Costs of Issuance subaccount for the 2017B Bonds.

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**C. APPLICATION OF FUNDS**

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All Sources of Funds	
Purchaser Wire (for 2017B Bonds)	\$2,669,000.00
1999 Bonds Debt Service Reserve Account	334,741.36
<b>Total</b>	<b>\$3,003,741.36</b>

All Uses of Funds	
Deposit to Escrow Fund	\$2,972,948.33
Deposit to Debt Service fund for the Taxable 2017B Bonds	3,295.47
Costs of Issuance for 2017B Bonds	27,497.56
<b>Total</b>	<b>\$3,003,741.36</b>

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**D. COST OF ISSUANCE DISBURSEMENTS**

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Once the 2017B Bonds financing has been closed, Costs of Issuance may be disbursed by The Bank of New York Mellon Trust Company, N.A. as follows based upon approved invoices submitted to the City.

Costs of Issuance Disbursements	2017B Bonds
Bond and Disclosure Counsel Fee (Nossaman LLP)	\$3,024.02
Bond and Disclosure Counsel Expenses (Nossaman LLP)	54.98
Municipal Advisor Fee (NHA Advisors LLC)	2,000.00
Placement Agent Fee (Hilltop Securities, Inc.)	15,000.00
Fiscal Consultant Fee (HdL Coren Cone)	1,237.10
Purchaser’s Counsel (Stradling, Yocca, Carlson & Rauth)	824.73
Trustee – Acceptance (1 <sup>st</sup> year in advance) (BNY Mellon)	13.75
Trustee – Annual 1 <sup>st</sup> Year (BNY Mellon)	1,250.00
Trustee Counsel (BNY Mellon)	120.96
Escrow Agent for the 2017B Bonds (BNY Mellon)	500.00
Escrow Agent for the 2017B Bonds (Redmpt./Invest) (BNY Mellon)	35.00
Successor Agency Admin. Fee (City of National City)	1,924.38
Verification Agent Fee (Causey Demgen & Moore)	192.44
CDIAC Fee (City of National City)	274.91
Miscellaneous/Contingency/Rounding (City of National City)	1,045.29
<b>Total</b>	<b>\$27,497.56</b>

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**REDEMPTION**

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**REDEMPTION OF 1999 TABS**

On Thursday, February 1, 2018 (“1999 Redemption Date”), the 1999 Bonds will be redeemed using \$2,984,337.50 held in the Escrow Fund. Funds in the Escrow Fund will be invested in Open Market Securities (“OMS”) from the closing date until the 1999 Redemption Date to yield earnings of \$11,389.17, which will be combined with the original deposits into the Escrow Fund to fully redeem the 1999 Bonds (\$2,984,337.50).

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY  
REDEVELOPMENT AGENCY**

**2017 TAX ALLOCATION REFUNDING BONDS  
(REFUNDING OF 1999, 2005B, AND 2011 TABs)**

**DISTRIBUTION LIST  
SEPTEMBER 21, 2017**

**ISSUER**

**SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY  
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**STATE OF CALIFORNIA DEPARTMENT OF FINANCE**

**STATE OF CALIFORNIA DEPARTMENT OF FINANCE**

Office of State Audits and Evaluations

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