

Draft
IRREVOCABLE REFUNDING INSTRUCTIONS
 Relating to

\$44,790,000
 Redevelopment Agency of the City of Hayward
 Downtown Hayward Redevelopment Project
 Tax Allocation Bonds, Series 2004

\$11,800,000
 Redevelopment Agency of the City of Hayward
 Downtown Hayward Redevelopment Project
 Tax Allocation Bonds, Series 2006

These IRREVOCABLE REFUNDING INSTRUCTIONS (these “**Instructions**”) are given by the REDEVELOPMENT SUCCESSOR AGENCY OF THE CITY OF HAYWARD, a public entity existing under the laws of the State of California (the “**Successor Agency**”), as successor agency to the former REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD (the “**Former Agency**”), to WELLS FARGO BANK, N.A., a national banking association organized and existing under the laws of the United States of America, acting as trustee for the hereinafter defined Refunded Bonds (the “**Prior Trustee**”);

WITNESSETH:

WHEREAS, the Former Agency previously issued the following bonds (the “**Refunded Bonds**”):

(i) \$44,790,000 Redevelopment Agency of the City of Hayward Downtown Hayward Redevelopment Project Tax Allocation Bonds, Series 200A (“**2004 Bonds**”) pursuant to an Indenture of Trust, dated as of June 1, 2006 (the “**2004 Indenture**”), by and between the Former Agency and the Prior Trustee. The 2004 Bonds were issued (a) to refund on a current basis the Former Agency’s outstanding Downtown Hayward Redevelopment Project 1996 Tax Allocation Refunding Bonds (“**1996 Bonds**”) and (b) finance certain public facilities. The 1996 Bonds were issued for the purpose of refunding on an advance basis the Former Agency’s outstanding Downtown Hayward Redevelopment Project 1989 Tax Allocation Bonds (the “**1989 Bonds**”). The 1989 Bonds were issued for the purpose of financing certain public facilities.

(ii) its \$11,800,000 Redevelopment Agency of the City of Hayward Downtown Hayward Redevelopment Project Tax Allocation Bonds, Series 2006 (“**2006 Bonds**”) pursuant to the 2004 Indenture, as supplemented by a First Supplement to Indenture of Trust, dated as of June 1, 2006 (the “**2006 First Supplement**”; the 2004 Indenture, as supplemented by the 2006 First Supplement, the “**2006 Indenture**”; together with the 2004 Indenture, the “**Refunded Bonds Indentures**”), by and between the Former Agency and the Prior Trustee. The 2006 Bonds were issued to finance certain public facilities.

WHEREAS, by implementation of California Assembly Bill X1 26, which amended provisions of the California Redevelopment Law, (found at Health and Safety Code Section 33000, *et.seq.*) and the California Supreme Court’s decision in California Redevelopment Association v. Matosantos, the Former Agency was dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 (“**AB 26**”), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to AB 26, assumed the duties and obligations set forth in AB 26 for the Former Agency, including, without limitation, the obligations of the Former Agency under the 2003 Indentures and related documents to which the Former Agency was a party.

WHEREAS, the Successor Agency has determined that it is in its best financial interests at this time to refund the currently outstanding Refunded Bonds.

WHEREAS, in order to provide funds for such purpose (among others), the Successor Agency is issuing its Redevelopment Successor Agency of the City of Hayward 2016 Tax Allocation Refunding Bonds (the "**2016 Bonds**") pursuant to an Indenture of Trust, dated as of _____ 1, 2016 (the "**2016 Indenture**"), by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "**2016 Trustee**"), and applying a portion of the proceeds thereof, together with certain other moneys, to redeem the outstanding Refunded Bonds on _____, 2016.

WHEREAS, the Successor Agency wishes to give these Instructions to the Prior Trustee for the purpose of providing the terms and conditions relating to the deposit and application of moneys and securities to provide for (i) the defeasance, payment and redemption of all of the outstanding 2004 Bonds pursuant to Section 2.03(a) and Section 9.03 of the 2004 Indenture and (ii) the defeasance, payment and redemption of all of the outstanding 2006 Bonds pursuant to Section 10.04(a) and Section 9.03 of the 2006 Indenture.

NOW, THEREFORE, the Successor Agency hereby irrevocably instructs the Prior Trustee as follows:

Section 1. Redemption Account. Pursuant to Section 4.03(e) of the 2004 Indenture, there has heretofore been established an account held by the Prior Trustee known as the "Redemption Account" (the "**Refunded Bonds Redemption Account**"), which serves as a redemption account for the 2004 Bonds and the 2006 Bonds. All cash and securities deposited in the Refunded Bonds Redemption Account pursuant to these Instructions are hereby irrevocably pledged as a special trust fund for the redemption of the remaining 2004 Bonds and the 2006 Bonds on _____, 2016, in accordance with the 2004 Indenture. The Prior Trustee shall have no lien upon or right of set off against the securities and cash at any time on deposit in the Refunded Bonds Redemption Account, and such amounts shall be applied only as provided herein.

Section 2. Deposit into Redemption Accounts; Investment of Amounts.

(a) Concurrently with delivery of the 2016 Bonds, the Successor Agency shall cause to be transferred to the Prior Trustee from the Refunded Bonds Refunding Fund established under the 2016 Indenture the amount of \$_____ in immediately available funds to be derived from a portion of the proceeds of sale of the 2016 Bonds, which amount the Prior Trustee shall deposit into the Refunded Bonds Redemption Account.

(b) On ____, 2016, the Prior Trustee shall transfer all other moneys held by it in the funds and accounts for the 2004 Bonds (\$_____) into the Refunded Bonds Redemption Account.

(c) On ____, 2016, the Prior Trustee shall transfer all other moneys held by it in the funds and accounts for the 2006 Bonds (\$_____) into the Refunded Bonds Redemption Account.

(d) Amounts on deposit in the Refunded Bonds Redemption Account shall be held uninvested.

(e) The Successor Agency hereby confirms that by making the deposits described in this Section 2, it is discharging the Refunded Bonds pursuant to Section 9.03 of the 2004 Indenture.

Section 3. Proceedings for Redemption of Refunded Bonds. The Successor Agency hereby irrevocably elects, and directs the Prior Trustee, to redeem, on _____, 2016, the outstanding Refunded Bonds. The Prior Trustee acknowledges that a conditional notice of such redemption in substantially the form of Exhibit A has heretofore been given by the Prior Trustee in accordance with Section 2.03(c) of the 2004 Indenture.

The Prior Trustee is hereby directed to give notice of defeasance of the Refunded Bonds in substantially the form of Exhibit B on the date of delivery of the 2016 Bonds.

Section 4. Application of Funds to Redeem Refunded Bonds. The Prior Trustee shall redeem the remaining outstanding Refunded Bonds on _____, 2016 at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon.

Section 5. Transfer of Remaining Funds. On _____, 2016, following the payment and redemption of the Refunded Bonds as described in Sections 3 and 4, the Prior Trustee shall withdraw any amounts remaining on deposit in the Refunded Bonds Redemption Account and transfer such amounts to the 2016 Trustee for deposit into the Debt Service Fund established under the 2016 Indenture to be used to pay interest on the 2016 Bonds.

The wire instructions to be used by the Prior Trustee to send any moneys to the 2016 Trustee are set forth below:

[to come]

Section 6. Amendment. These Instructions shall be irrevocable by the Successor Agency. These Instructions may be amended or supplemented by the Successor Agency, but only if the Successor Agency shall file with the Prior Trustee and the 2016 Trustee a certification of an independent accountant or independent financial adviser engaged by the Successor Agency stating that such amendment or supplement will not affect the sufficiency of funds held hereunder to make the payments required by Section 4.

Section 7. Governing Law. These Instructions shall be construed in accordance with and governed by the laws of the State of California.

Dated: _____, 2016

REDEVELOPMENT SUCCESSOR
AGENCY OF THE CITY OF HAYWARD

By _____
City Manager
City of Hayward

ACCEPTED:

WELLS FARGO BANK, N.A.,
as Prior Trustee

By _____
Authorized Officer

EXHIBIT A**FORM OF CONDITIONAL NOTICE OF FULL OPTIONAL REDEMPTION****\$44,790,000****Redevelopment Agency of the City of Hayward
Downtown Hayward Redevelopment Project
Tax Allocation Bonds, Series 2004****Date of Issuance: June 2, 2004**

<u>Maturity Date (March 1)</u>	<u>Initial Amount</u>	<u>Interest Rate</u>	<u>*CUSIP No.</u>
2017	\$1,825,000.00	4.720%	421246CC1
2018	1,910,000.00	4.800	421246CD9
2019	2,000,000.00	4.870	421246CE7
2020	2,095,000.00	4.950	421246CF4
2021	2,200,000.00	5.000	421246CG2
2022	2,310,000.00	5.050	421246CH0
2023	2,425,000.00	5.100	421246CJ6
2024	2,550,000.00	5.150	421246CK3
2025	2,680,000.00	5.190	421246CL1
2026	2,820,000.00	5.210	421246CM9
2027	1,935,000.00	5.230	421246CN7
2034	5,630,000.00	5.300	421246CV9

NOTICE IS HEREBY GIVEN that all of the above described bonds (the "Bonds") have been called for optional redemption on _____, 2016 (the "Redemption Date") pursuant to Section 2.03(a) of the Indenture of Trust, dated as of May 1, 2004, by and between the Redevelopment Successor Agency of the City of Hayward, as successor to the Redevelopment Agency of the City of Hayward, and Wells Fargo Bank, N.A., as trustee (the "Trustee"), at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium (the "Redemption Price"). Interest will not accrue on the Bonds after the redemption date.

Redemption of the Bonds as described in this notice shall be conditioned upon the receipt by the Trustee of the proceeds of the sale and delivery of the Redevelopment Successor Agency of the City of Hayward 2016 Tax Allocation Refunding Bonds in an amount sufficient for such redemption on or before the Redemption Date.

In the event such funds are not received by the Redemption Date, this notice shall be null and void and of no force and effect. The Bonds delivered for redemption shall be returned

to the respective owners thereof, and said Bonds shall remain outstanding as though this notice of conditional redemption had not been given. Notice of a failure to receive funds, and cancellation of this redemption, shall be given by the Trustee by first class mail, postage prepaid, to the registered owners of the Bonds.

Payment of the Redemption Price on the Bonds called for redemption will be paid upon presentation of the Bonds at the Principal Corporate Trust Office of the Trustee, in the following manner:

Delivery Instructions:

Registered/Certified Mail:

Wells Fargo Bank, N.A.
Corporate Trust Operations
P.O. Box 1517
Minneapolis, MN 55480-1517

Air Courier:

Wells Fargo Bank, N.A.
Corporate Trust Operations
N9303-121
6th & Marquette Avenue
Minneapolis, MN 55479

In person:

Wells Fargo Bank, N.A.
Northstar East Building
608 2nd Ave. So., 12th Fl.
Minneapolis, MN 55402

IMPORTANT NOTICE

Under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), 28% will be withheld if tax identification number is not properly certified.

**The Undersigned shall not be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Redemption Notice. It is included solely for the convenience of the Holders.*

Dated: _____, 2016

**Wells Fargo Bank, N.A.,
as Trustee**

FORM OF CONDITIONAL NOTICE OF FULL OPTIONAL REDEMPTION

\$11,800,000
Redevelopment Agency of the City of Hayward
Downtown Hayward Redevelopment Project
Tax Allocation Bonds, Series 2006

Date of Issuance: June 20, 2006

Maturity Date (<u>March 1</u>)	Initial Amount	Interest Rate	CUSIP No.
2017	\$ 95,000.00	4.125%	41246 DD8
2018	100,000.00	4.250	41246 DE6
2019	100,000.00	4.300	41246 DF3
2026	850,000.00	4.500	41246 DG1
2030	5,190,000.00	4.625	41246 DH9
2036	5,045,000.00	5.000	41246 DJ5

NOTICE IS HEREBY GIVEN that all of the above described bonds (the "Bonds") have been called for optional redemption on _____, 2016 (the "Redemption Date") pursuant to Section 10.04 (a) of the First Supplement to Indenture of Trust, dated as of June 1, 2006, by and between the Redevelopment Successor Agency of the City of Hayward, as successor to the Redevelopment Agency of the City of Hayward, and Wells Fargo Bank, N.A., as trustee (the "Trustee"), at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium (the "Redemption Price"). Interest will not accrue on the Bonds after the redemption date.

Redemption of the Bonds as described in this notice shall be conditioned upon the receipt by the Trustee of the proceeds of the sale and delivery of the Redevelopment Successor Agency of the City of Hayward 2016 Tax Allocation Refunding Bonds in an amount sufficient for such redemption on or before the Redemption Date.

In the event such funds are not received by the Redemption Date, this notice shall be null and void and of no force and effect. The Bonds delivered for redemption shall be returned to the respective owners thereof, and said Bonds shall remain outstanding as though this notice of conditional redemption had not been given. Notice of a failure to receive funds, and cancellation of this redemption, shall be given by the Trustee by first class mail, postage prepaid, to the registered owners of the Bonds.

Payment of the Redemption Price on the Bonds called for redemption will be paid upon presentation of the Bonds at the Principal Corporate Trust Office of the Trustee, in the following manner:

Delivery Instructions:

Registered/Certified Mail:
Wells Fargo Bank, N.A.
Corporate Trust Operations
P.O. Box 1517
Minneapolis, MN 55480-1517

Air Courier:
Wells Fargo Bank, N.A.
Corporate Trust Operations
N9303-121
6th & Marquette Avenue
Minneapolis, MN 55479

In person:
Wells Fargo Bank, N.A.
Northstar East Building
608 2nd Ave. So., 12th Fl.
Minneapolis, MN 55402

IMPORTANT NOTICE

Under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), 28% will be withheld if tax identification number is not properly certified.

**The Undersigned shall not be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Redemption Notice. It is included solely for the convenience of the Holders.*

Dated: _____, 2016

**Wells Fargo Bank, N.A.,
as Trustee**

EXHIBIT B

FORM OF NOTICE OF DEFEASANCE

\$44,790,000

**Redevelopment Agency of the City of Hayward
Downtown Hayward Redevelopment Project
Tax Allocation Bonds, Series 2004**

Date of Issuance: June 2, 2004

<u>Maturity Date</u>	<u>Initial Amount</u>	<u>Interest Rate</u>	<u>*CUSIP No.</u>
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NOTICE IS HEREBY GIVEN, by the Redevelopment Successor Agency of the City of Hayward (the "Successor Agency") with respect to the above captioned bonds (the "Bonds"), that the Bonds have been defeased and discharged under and within the meaning of the Indenture of Trust, dated as of May 1, 2004, authorizing the issuance of the Bonds (the "Indenture"). Funds for the payment of the Bonds have been deposited with Wells Fargo Bank, N.A., in its capacity as trustee for the Bonds ("Trustee"), and the sufficiency of the funds and investments for the purpose of paying the principal of and interest on the Bonds has been verified by an Independent Certified Public Accountant (as defined in the Indenture). As a consequence of the foregoing actions and in accordance with the Indenture, the Bonds are no longer secured by a pledge of revenues under the Indenture, and the Bonds are now payable solely from the moneys set aside in in the funds and accounts established under the Indenture as described above and, if necessary, from other legally available funds of the Successor Agency.

The Successor Agency has irrevocably elected to redeem all of the outstanding Bonds on _____, 2016, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

*The Successor Agency and the Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.

Dated: _____, 2016

**Wells Fargo Bank, N.A.,
as Trustee**

FORM OF NOTICE OF DEFEASANCE

\$11,800,000
Redevelopment Agency of the City of Hayward
Downtown Hayward Redevelopment Project
Tax Allocation Bonds, Series 2006

Date of Issuance: June 20, 2006

<u>Maturity</u> <u>Date</u>	<u>Initial</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>CUSIP</u> <u>No.</u>
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NOTICE IS HEREBY GIVEN, by the Redevelopment Successor Agency of the City of Hayward (the "Successor Agency") with respect to the above captioned bonds (the "Bonds"), that the Bonds have been defeased and discharged under and within the meaning of the Indenture of Trust, dated as of May 1, 2004, as supplemented by a First Supplement to Indenture of Trust, dated as of June 1, 2006, authorizing the issuance of the Bonds (the "Indenture"). Funds for the payment of the Bonds have been deposited with Wells Fargo Bank, N.A., in its capacity as trustee for the Bonds ("Trustee"), and the sufficiency of the funds and investments for the purpose of paying the principal of and interest on the Bonds has been verified by an Independent Certified Public Accountant (as defined in the Indenture). As a consequence of the foregoing actions and in accordance with the Indenture, the Bonds are no longer secured by a pledge of revenues under the Indenture, and the Bonds are now payable solely from the moneys set aside in the funds and accounts established under the Indenture as described above and, if necessary, from other legally available funds of the Successor Agency.

The Successor Agency has irrevocably elected to redeem all of the outstanding Bonds on _____, 2016, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

*The Successor Agency and the Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.

Dated: _____, 2016

**Wells Fargo Bank, N.A.,
as Trustee**