

**NOTICE AND CALL OF A SPECIAL MEETING
OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
MANTECA REDEVELOPMENT AGENCY**

PLEASE TAKE NOTICE THAT THE CHAIRMAN TO THE SUCCESSOR AGENCY HEREBY CALLS A SPECIAL MEETING OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE MANTECA REDEVELOPMENT AGENCY.

**DARYLL QUARESMA, CHAIRMAN
SUCCESOR AGENCY TO THE MANTECA
REDEVELOPEMNT AGENCY**

**March 6, 2013
2:00 p.m.
MANTECA CITY HALL
City Council Chambers
1001 W. Center Street
Manteca, California**

The Oversight Board has been created pursuant to § 34161 through 34190 of the Health and Safety Code for the sole purpose of overseeing the actions of the Successor Agency to the Manteca Redevelopment Agency. In accordance with Health and Safety Code § 34179(h), all Oversight Board Actions shall not be effective for three business days, pending a request for review by the State Department of Finance (“Department”). In the event that the Department requests a review of a given Oversight Board action, it shall have 10 days from the date of its request to approve the Oversight Board action or return it to the Oversight Board for reconsideration, and such Oversight Board action shall not be effective until approved by the Department. In the event that the Department returns the Oversight Board action to the Oversight Board for reconsideration, the Oversight Board shall resubmit the modified action for Department approval, and the modified Oversight Board action shall not become effective until approved by the Department.

Reports and documents relating to each of the following items listed on the agenda, including those received following posting/distribution, are on file in the Office of the Secretary to the Successor Agency to the Manteca Redevelopment Agency/City Clerk and are available for public inspection during normal business hours, Monday – Friday, 7:30 a.m. – 5:30 p.m., closed alternating Fridays, 1001 W. Center Street, Manteca, CA 95337, telephone (209) 456-8017.

Please contact the Office of the Secretary of the Successor Agency to the Manteca Redevelopment Agency, 1001 W. Center Street, Manteca, CA, (209) 456-8017, for assistance with access to any of the agenda, materials, or participation at the meeting.

The purpose of the special meeting of the Oversight Board of the Successor Agency to the Manteca Redevelopment Agency shall be as follows:

1. PUBLIC COMMENT ON ITEMS LISTED BELOW.
2. Adopt a resolution entitled "A resolution of the Oversight Board of the Successor Agency to the Manteca Redevelopment Agency approving an extension to the expiration date of a letter of credit for bonds issues by the Manteca Redevelopment Agency in 2005 and amendments to the reimbursement agreement relating to such letter of credit, and approving and authorizing certain related actions."
3. Adjournment.

Please note that members of the public will be provided the opportunity to directly address the Oversight Board of the Successor Agency to the Manteca Redevelopment Agency concerning any item described above before the Oversight Board of the Successor Agency to the Manteca Redevelopment Agency considers such items. No other business shall be considered.

In compliance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, please call (209) 456-8017. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II).

This notice of a special meeting of the Oversight Board of the Successor Agency to the Manteca Redevelopment Agency was posted on the bulletin board at City Hall, 1001 W. Center St., Manteca, California and at the following website <http://www.ci.manteca.ca.us/successoragency/index.html> on February 28, 2013.

**JOANN TILTON, MMC
SECRETARY/CITY CLERK**

Agenda Item No. 2

OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY
TO THE MANTECA REDEVELOPMENT AGENCY

To: Members of the Oversight Board

From: Suzanne Mallory, Finance Director

Date: March 6, 2013

Subject: Manteca Redevelopment Agency Amended Merged Project Area Variable Rate Subordinated Tax Allocation Bonds, Series 2005 – Letter of Credit Renewal and Related Amendment No. 2 to Letter of Credit and Reimbursement Agreement

Recommendation:

Adopt the resolution entitled “A Resolution of Oversight Board of the Successor Agency to the Manteca Redevelopment Agency Approving an Extension to the Expiration Date of a Letter of Credit for Bonds Issues by the Manteca Redevelopment Agency in 2005 and Amendments to the Reimbursement Agreement Relating to Such Letter of Credit, and Approving and Authorizing Certain Related Actions.”

Background:

In December of 2005, the Manteca Redevelopment Agency issued its Variable Rate Subordinate Tax Allocation Refunding Bonds, Series 2005, in the principal amount of \$50,760,000, of which \$48,870,000 remain outstanding as of March 1, 2013. The 2005 Bonds were issued as variable rate bonds with a daily interest rate reset feature. The 2005 Bonds were initially secured by a standby bond purchase agreement and a bond insurance policy issued by XL Capital.

In 2008 a mass downgrading of bond insurers occurred and XL Capital was downgraded by Fitch to BBB. The result was that the 2005 bonds began trading in the market at higher interest rates. To address this issue, in May 2008 the security of the bonds was restructured and the Agency entered into a Letter of Credit and Reimbursement Agreement

with State Street. So long as the letter of credit is in effect, the trustee automatically draws on it to pay periodic principal and interest payments on the 2005 Bonds. If a 2005 Bond is put back to the Agency and the remarketing agent is unable to remarket the 2005 Bond, the trustee would draw on the letter of credit to buy the tendered 2005 Bond. The Agency reimburses State Street for all such draws and also pays an annual fee according to the terms of the Reimbursement Agreement.

The original expiration date for the irrevocable direct-pay letter of credit for the 2005 Bonds was May 13, 2010. The Letter of Credit and Reimbursement agreement was amended in March 2010 and the expiration date was extended to May 13, 2013.

Investors view a direct-pay letter of credit from a provider with sufficiently strong credit and liquidity as a secure form of credit enhancement. Ratings on variable rate bonds backed by a letter of credit are based heavily on the financial strength of the issuer of such letter of credit. State Street's letter of credit has helped to maintain the interest rates on the 2005 Bonds at appropriately low levels.

With the letter of credit scheduled to expire on May 13, 2013, State Street has proposed to renew and extend the letter of credit for three years (i.e., with a new expiration date of May 13, 2016), provided that the Successor Agency and State Street enter into an amendment to the Reimbursement Agreement, substantially in the form of the enclosed "Amendment No.2 to Letter of Credit and Reimbursement Agreement."

The amendment to the Reimbursement Agreement includes, among other provisions, changes to the annual fee payable by the Successor Agency to reflect current market uncertainties related to the dissolution of redevelopment. Upon approval of the Oversight Board the amendment will then be forwarded to the California Department of Finance for final approval pending credit review by State Street Bank.

Due to the short-time frame required to receive Department of Finance approval, the documents included with the agenda packet are in draft form and subject to final review by our special attorney. Finalized documents will be provided prior to adoption of the resolution by the Oversight Board.

Fiscal Impact:

Current proposed fees for the letter of credit have been increased from 1.75% to 2.25% per annum on the average daily amount of bonds outstanding. Additional rate increases would occur should the Agency default on the loan or should the underlying rating of the bonds be cancelled.

Should there be failure to extend the letter of credit by May 13, 2013, there would be a draw on the letter of credit. The 2005 bonds will then be purchased by the trustee from money drawn under the letter of credit and the 2005 bonds will become "Bank Bonds." Under the terms of the reimbursement agreement, so long as the 2005 bonds remain as Bank Bonds, the Successor Agency will have to repay the Bank Bonds in 12 equal quarterly payments, with each quarterly payment equal to approximately \$4 million in principal, plus interest. Interest rate on the Bank Bonds will immediately increase to 12%.

Attachments:

1. Resolution approving extension of letter of credit.
2. Draft fee letter agreement.
3. Draft Amendment #2 to Letter of Credit and Reimbursement Agreement.

RESOLUTION NO. 2013-__OB

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE MANTECA REDEVELOPMENT AGENCY APPROVING AN EXTENSION TO THE EXPIRATION DATE OF A LETTER OF CREDIT FOR BONDS ISSUED BY THE MANTECA REDEVELOPMENT AGENCY IN 2005, AND APPROVING AND AUTHORIZING CERTAIN RELATED ACTIONS

Recitals

A. The Manteca Redevelopment Agency (the “Former RDA”) was a redevelopment agency duly created and authorized to transact business and exercise its powers under and pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the California Health and Safety Code and referred to herein as the “CRL”), including the power to issue bonds for its corporate purposes.

B. Pursuant to AB X1 26 (which became effective at the end of June 2011), as modified by the California Supreme Court’s decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal.4th 231(2011)), the Former RDA was dissolved as of February 1, 2012, and the Successor Agency to the Manteca Redevelopment Agency (the “Successor Agency”) was constituted.

C. Pursuant to Health and Safety Code Section 34173, except for those provisions of the Community Redevelopment Law that are repealed, restricted, or revised pursuant to AB X1 26, all authority, rights, powers, duties, and obligations previously vested with the Former RDA under the Community Redevelopment Law are vested in the Successor Agency.

D. Before the Former RDA’s dissolution, in 2005, the Former RDA issued its Amended Merged Project Area, Variable Rate Subordinate Tax Allocation Refunding Bonds, Series 2005 (the “2005 Bonds”).

E. The 2005 Bonds were issued pursuant to an Indenture, dated as of December 1, 2005 (the “Master Indenture”), by and between the Former RDA and U.S. Bank National Association, as trustee (the “Trustee”), as supplemented by a First Supplemental Indenture, dated as of December 1, 2005 (the “First Supplemental Indenture” and, together with the Master Indenture, the “2005 Indenture”), by and between the Former RDA and the Trustee.

F. The 2005 Indenture was further supplemented and amended by a Second Supplemental Indenture, dated as of December 1, 2006 (the “Second Supplemental Indenture”) and a Third Supplemental Indenture, dated as of May 1, 2008 (collectively with the 2005 Indenture and the Second Supplemental Indenture, the “Indenture”), by and between the Former RDA and the Trustee.

G. The 2005 Bonds were issued as variable rate bonds and, from time to time, are subject to tender by bondholders pursuant to the terms of the Indenture.

H. As of the adoption date of this Resolution, there are \$48,870,000 principal amount of 2005 Bonds outstanding.

I. Pursuant to a Letter of Credit and Reimbursement Agreement, dated as of May 1, 2008 (the “2008 LC Reimbursement Agreement”), by and between the Former RDA and State Street Bank and Trust Company (“State Street”), State Street issued its Irrevocable Letter of Credit No. ILC-1491/BSN, dated May 13, 2008 (the “Letter of Credit”) as a Credit Support Instrument (as defined in the Indenture) for the 2005 Bonds.

J. The scheduled expiration date of the Letter of Credit, which was originally May 13, 2010, was extended to May 10, 2013 (the “Expiration Date”), pursuant to an Amendment No. 1 to Letter of Credit and Reimbursement Agreement, dated as of February 1, 2010 (together with the 2008 LC Reimbursement Agreement, the “Reimbursement Agreement”), by and between State Street and the Former RDA.

K. There has been presented to the Successor Agency the forms of (i) an Amendment No. 2 to Letter of Credit and Reimbursement Agreement (“Amendment No. 2 to Reimbursement Agreement”), to be entered into between State Street and the Successor Agency, and (ii) the Fee Letter Agreement (the “Fee Letter Agreement”), to be entered into between State Street and the Successor Agency, relating to Amendment No. 2 to Reimbursement Agreement.

L. Upon the effectiveness of the Amendment No. 2 to Reimbursement Agreement, the Extension Date will be extended to May 13, 2016.

M. Pursuant to the Indenture and the Reimbursement Agreement, if the Extension Date is not extended, the 2005 Bonds will be subject to mandatory tender shortly before the Expiration Date and will be purchased by the Trustee using funds drawn from the Letter of Credit, and the 2005 Bonds so purchased by the Trustee will be registered in the name of State Street (such 2005 Bonds registered in the name of State Street being referred to in the Reimbursement Agreement and in this Resolution as “Bank Bonds”).

N. The interest rate on any Bank Bonds will be significantly higher than the historic rate on the 2005 Bonds.

O. Pursuant to Health and Safety Code Section 34181(d), the Oversight Board of the Successor Agency has the authority to, and shall, direct the Successor Agency to determine whether an agreement between the Former RDA and a private party should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities.

P. The Oversight Board has received a copy of Resolution No. 2013-__SA, adopted by the Board of Directors of the Successor Agency on March 2, 2013 (the “Successor Agency Board Resolution”), requesting the Oversight Board to approve the execution and delivery by the Successor Agency of Amendment No. 2 to Reimbursement Agreement and the Fee Letter Agreement. A full copy of the Resolution No. 2013__SA is attached hereto as Exhibit A.

Q. The Board of Directors of the Successor Agency has determined that the extension of the Extension Date pursuant to the Amendment No. 2 to Reimbursement Agreement

will reduce payment liabilities to the Successor Agency and increase net revenues to the taxing entities.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE MANTECA REDEVELOPMENT AGENCY HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. The foregoing recitals, and each of them, are true and correct.

Section 2. This Oversight Board hereby finds and determines that the extension of the Extension Date with respect to the Letter of Credit pursuant to the Amendment No. 2 to Reimbursement Agreement will reduce payment liabilities to the Successor Agency and increase net revenues to the taxing entities.

Section 3. This Oversight Board hereby approves the execution and delivery by the Successor Agency of Amendment No. 2 to Reimbursement Agreement and the Fee Letter Agreement, substantially in the forms attached as Exhibit A and Exhibit B to the Successor Agency Board Resolution.

Section 4. The members of this Oversight Board and the staff of the Successor Agency are hereby authorized, jointly and severally, to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution and the Reimbursement Agreement, as amended by Amendment No. 2 to Reimbursement Agreement and the Fee Letter Agreement.

DATED: March __, 2013

AYES:

NOES:

ABSENT:

ABSTAIN:

**DARYLL QUARESMA
CHAIRMAN**

ATTEST:

**JOANN TILTON, MMC
AGENCY SECRETARY**

EXHIBIT A

Resolution No. 2013-____SA

adopted by
the Board of Directors of the Successor Agency to the Manteca Redevelopment Agency
on March 2, 2013

FEE LETTER AGREEMENT

This Fee Letter Agreement (this “Fee Letter Agreement”), dated as of March 1, 2013 and effective on _____, 2013 (the “Effective Date”), by and between the Successor Agency to the Manteca Redevelopment Agency (the “Successor Agency”) and State Street Bank and Trust Company (the “Bank”), sets forth the agreement between the Successor Agency and the Bank with respect to certain fees payable pursuant to the Letter of Credit and Reimbursement Agreement, dated as of May 1, 2008 (the “Original Reimbursement Agreement”), as amended by Amendment No. 1 to Letter of Credit and Reimbursement Agreement, dated April 1, 2010 (“Amendment No. 1”), and as amended by Amendment No. 2 to Letter of Credit and Reimbursement Agreement, dated as of March 1, 2013 (“Amendment No. 2” and, collectively, with the Original Reimbursement Agreement and Amendment No. 1, the “Agreement”). All references to the “Agency” in the Fee Letter Agreement shall be deemed to refer to the “Successor Agency.” For all purposes of the Fee Letter Agreement, the Successor Agency is deemed to be the legal successor to the Predecessor Agency and shall assume all of the duties and obligations of the Predecessor Agency under the Fee Letter Agreement and all other Related Documents. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

Section 1. Fees.

(a) [Reserved].

(b) The Agency hereby agrees to pay State Street a letter of credit fee (the “Letter of Credit Fee”) accruing at a rate of 2.25% per annum on the average daily amount of the Commitment; provided, however, the Bonds shall then have an underlying rating of at least “BBB-” (or its equal) by a Rating Agency. If a Rating Agency downgrades their underlying rating on the Bonds below investment grade, the Letter of Credit Fee shall be increased to a rate of 3.25% per annum on the average daily amount of the Commitment. If an Event of Default shall have occurred and be continuing, the Letter of Credit Fee shall be increased to a rate of 4.25% per annum on the average daily amount of the Commitment. In each case, the Letter of Credit Fee shall be payable in arrears on each Payment Date and on the Expiration Date calculated on the basis of an actual 360 day year. The Letter of Credit Fee shall be considered earned when paid and shall not be refundable.

(c) The Agency hereby agrees to pay State Street a drawing fee of \$250 for each Drawing.

(d) If the Letter of Credit is amended or transferred to a new beneficiary pursuant to the terms thereof, the Agency hereby agrees to pay State Street a fee of \$1,000.

Section 2. Conditions Precedent.

This Fee Letter Agreement shall be effective as of the Effective Date subject to the satisfaction of or waiver by State Street of all of the following conditions precedent:

(a) Delivery by the Successor Agency of an executed counterpart of this Fee Letter Agreement.

(b) Receipt by State Street of evidence of approval by the Oversight Board of the Successor Agency of this Fee Letter Agreement.

(c) All other legal matters pertaining to the execution and delivery of this Fee Letter Agreement shall be satisfactory to State Street and its counsel, including, without limitation, the satisfaction of all conditions precedent set forth in Article III of Amendment No. 2.

Section 3. Representations and Warranties

The Successor Agency hereby represents and warrants as follows:

(a) The execution, delivery and performance by the Successor Agency of this Fee the Letter Agreement is within its corporate powers, has been duly authorized by all necessary corporate action and does not contravene any law or any contractual restriction binding on or affecting the Successor Agency.

(b) Other than approval by the Oversight Board referenced in Section 3(b) hereof, no authorization, approval or other action by, no notice, other than notice to and approval or deemed approval by the State Department of Finance, to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Successor Agency of this Fee Letter Agreement.

(c) This Fee Letter Agreement constitutes a legal, valid and binding obligation of the Successor Agency, enforceable against the Successor Agency in accordance with its terms.

Section 4. Notices.

If to State Street regarding credit matters, to:

State Street Bank and Trust Company
State Street Financial Center SFC/5
Municipal Products
State Street Financial Center
1 Lincoln Street
Boston, MA 02111-2904
Attention: Mimi Li
Tel: (617) 664-3196
Fax: (617) 946-0188

If to State Street regarding operational matters, to:

State Street Bank and Trust Company
Loan Operations Department
Attention: Standby Letter of Credit Unit
Mailstop: CPH0426
100 Huntington Ave.
Tower 2, 4th Floor
Boston, MA 02116
Attention: Peter J. Connolly
Telephone: (617) 937-8798
Facsimile: (617) 937-8866

Wire instructions with respect to Facility or Other Fees:

State Street Bank and Trust Company
ABA # 011-000-028
Account Name: Municipal Finance Fee Receivable
Account Number: 4867-932-8
Reference: Manteca Redevelopment Agency

Wire instructions to Letter of Credit reimbursement of drawings:

State Street Bank and Trust Company
ABA #011-000-028
Account Name: Municipal Finance Draw Fee Clearing Account
Account Number: 4867-933-6
Reference: Manteca Redevelopment Agency

If to the Agency, to: City of Manteca, acting in its capacity as the
Successor Agency for the Manteca
Redevelopment Agency
1001 West center
Manteca, California 95337
Attention: City Manager
Fax: (209) 825-2333

If to the Trustee and
Tender Agent, to: U.S. Bank National Association
1420 5th Avenue, 7th Floor
Seattle, Washington 98101
Attention: Corporate Trust Department
Fax: (206) 344-4630

If to the Remarketing
Agent, to: Piper Jaffray & Co.
800 Nicolet Mall, 13th Floor
Minneapolis, MN 55402
Attention: Short Term Finance Group
Fax: (612) 313-3082

Section 5. Amendments.

No amendment to this Fee Letter Agreement shall become effective without the prior written consent of the Successor Agency and the Bank.

Section 6. Governing Law.

The governing law, jurisdiction and waiver provisions set forth in the Agreement are incorporated herein by reference as if fully set forth herein.

Section 7. Counterparts.

This Fee Letter Agreement may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument.

Section 8. Severability.

Any provision of this Fee Letter Agreement that is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Fee Letter Agreement to be duly executed and delivered by their respective duly authorized officers as of the day and year first above written.

SUCCESSOR AGENCY TO THE MANTECA
REDEVELOPMENT AGENCY

By: _____
Name: _____
Title: _____

STATE STREET BANK AND TRUST
COMPANY

By: _____
Name: _____
Title: _____

**AMENDMENT NO. 2 TO
LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT**

THIS AMENDMENT NO. 2 TO LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT, dated as of March 1, 2013 (this “Amendment No. 2”), and effective on May 13, 2013 (the “Amendment Date”), to LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT, dated as of May 1, 2008 (the “Original Reimbursement Agreement”), as amended by Amendment No. 1 to Letter of Credit and Reimbursement Agreement (“Amendment No. 1” and, collectively, with the Original Reimbursement Agreement and Amendment No. 2, the “Agreement”), is made by and between the SUCCESSOR AGENCY TO THE MANTECA REDEVELOPMENT AGENCY (the “Successor Agency”) and STATE STREET BANK AND TRUST COMPANY (“State Street”). Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Original Reimbursement Agreement or, if not defined in the Original Reimbursement Agreement, the Indenture (as defined hereafter).

WHEREAS, pursuant to the Indenture, dated as of December 1, 2005 (the “Master Indenture”) and the First Supplemental Indenture, dated as of December 1, 2005 (the “First Supplemental Indenture” and, together with the Master Indenture, the “2005 Indenture”), each by and between the Manteca Redevelopment Agency (the “Predecessor Agency”) and U.S. Bank National Association, as trustee (the “Trustee”), the Predecessor Agency issued its Amended Merged Project Area Variable Rate Subordinate Tax Allocation Refunding Bonds, Series 2005 (the “Bonds”);

WHEREAS, the 2005 Indenture was further supplemented and amended by a Second Supplemental Indenture, dated as of December 1, 2006 (the “Second Supplemental Indenture”) and a Third Supplemental Indenture, dated as of May 1, 2008 (the “Third Supplemental Indenture” and, collectively, with the 2005 Indenture and the Second Supplemental Indenture, the “Indenture”), each by and between the Predecessor Agency and the Trustee; and

WHEREAS, the Predecessor Agency requested that State Street deliver an irrevocable transferable direct pay letter of credit, in the amount of the Commitment as the Alternate Series 2005 Credit Instrument in connection with the Bonds; and

WHEREAS, State Street delivered such Irrevocable Letter of Credit No. ILC-1491/BSN, dated May 13, 2008 (the “Letter of Credit”), to the Trustee pursuant to the Original Reimbursement Agreement; and

WHEREAS, the California State legislature enacted Assembly Bill x1 26 and Assembly Bill 1484 to dissolve redevelopment agencies formed under the Redevelopment Law, Part 1 of Division 24 of the Health and Safety Code of the State of California, as amended (the “Redevelopment Law”), including, without limitation, the Predecessor Agency; and

WHEREAS, on August 11, 2011, the California Supreme Court agreed to review the California Redevelopment Association and League of California Cities’ petition challenging the constitutionality of the Assembly Bill x1 26 and, on December 29, 2011, ruled that the RDA

Repeal Act is substantially constitutional; and

WHEREAS, as a result of the California Supreme Court's decision, all California redevelopment agencies (including, without limitation, the Predecessor Agency) dissolved on February 1, 2012 pursuant to the Dissolution Act (as defined in Section 1.01 hereof) and the Successor Agency was constituted; and

WHEREAS, pursuant to Section 34173 of the Health and Safety Code of the State of California, except for those provisions of Part 1 of Division 24 of the California Health and Safety Code of the State of California (the "Redevelopment Law") that are repealed, restricted, or revised pursuant to AB X1 26, all authority, rights, powers, duties, and obligations previously vested with the Predecessor Agency under the Redevelopment Law are vested in the Successor Agency.

WHEREAS, pursuant to the Dissolution Act (defined herein), the Successor Agency has established a Redevelopment Obligation Retirement Fund in compliance with Section 34170.5(a) of the Redevelopment Law; and

WHEREAS, pursuant to Section 7.02 of the Agreement, the Agreement may be amended by a written amendment thereto; and

WHEREAS, the parties hereto wish to amend certain provisions of the Agreement to reflect the Successor Agency as successor agency to the Predecessor Agency and the assumption by the Successor Agency of all the rights, powers, duties and obligations of the Predecessor Agency under the Agreement and all Related Documents; and

WHEREAS, State Street and the Successor Agency have agreed to extend the Expiration Date of the Letter of Credit to May 13, 2016 and the Oversight Board of the Successor Agency approved such extension on _____, 2013; and

NOW, THEREFORE, for and in consideration of the mutual premises and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby covenant, agree and bind themselves as follows:

ARTICLE I

AUTHORITY

SECTION 1. This Amendment No. 2 amends the Agreement.

SECTION 2. This Amendment No. 2 is entered into in accordance with Sections 2.07 and 7.02 of the Agreement.

ARTICLE II

AMENDMENTS

SECTION 1. Section 1.01 of the Agreement is hereby amended by adding or amending and restating the following defined terms thereto, to appear in the appropriate alphabetical sequence:

“Agency” means the Successor Agency to the Manteca Redevelopment Agency.

“Amendment Resolutions” means (i) Resolution No. ____ of the Board of Directors of the Agency adopted on _____, 2013 and (ii) Resolution No. ____ of the Oversight Board adopted on _____, 2013.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption, issuance, implementation, promulgation, taking effect of, or any change in, any law, rule, treaty or regulation, or any request, policy, guideline or directive of, or any change in the interpretation, administration or application thereof by any court, central bank or other administrative or Governmental Authority or other fiscal, monetary or other authority having jurisdiction over State Street, any parent of State Street (in each case whether or not having the force of law), (b) compliance by State Street, any parent of State Street with any law, rule, treaty or regulation, request, policy, guideline or directive of any such court, central bank or other administrative or Governmental Authority or other fiscal, monetary or other authority having jurisdiction over State Street, any parent of State Street or (in each case whether or not having the force of law) or (c) any change in the application, interpretation or enforcement of any of the foregoing; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, rulings, guidelines, regulations or directives thereunder or issued in connection therewith and (ii) all requests, rules, rulings, standards, guidelines, regulations or directives promulgated by the Bank of International Settlements, the Basel Committee on Banking Supervision and Supervisory Practices (or any successor or similar authority or organization) or the United States or foreign regulatory authorities shall in each case be deemed to be a “Change in Law,” regardless of the date enacted, adopted or issued.

“County Auditor-Controller” means the County Auditor-Controller of the County of San Joaquin, California.

“Dissolution Act” means Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State of California, as amended.

“Fee Letter Agreement” means that Fee Letter Agreement, dated as of March 1, 2013, by and between the Agency and State Street.

“Governmental Authority” shall mean the United States or any state or political subdivision thereof or any foreign nation or political subdivision thereof, any entity, body or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government in the United States (or any state, municipality or political subdivision thereof) or any foreign nation or political subdivision thereof, including, without limitation, the Federal Deposit Insurance Corporation or the Federal Reserve Board, any central bank or any comparable authority or other governmental or quasi-governmental authority exercising control over State Street, any parent of State Street or other financial institutions, and any corporation or other entity or authority owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

“Oversight Board” means the oversight board relating to the Agency duly constituted pursuant to Section 34179 of the Dissolution Act.

“Predecessor Agency” means the Manteca Redevelopment Agency.

“Recognized Obligation Payment Schedule” or “ROPS” means a Recognized Obligation Payment Schedule, prepared and approved from time to time pursuant to subdivision (1) of Section 34177 of the Dissolution Act.

“Redevelopment Obligation Retirement Fund” means the fund created within the treasury of the Agency pursuant to Section 34170.5 of the Dissolution Act.

“Redevelopment Property Tax Trust Fund” means the Redevelopment Property Tax Trust Fund established for the Agency and held and administered by the County Auditor-Controller pursuant to subdivision (c) of Section 34172 of the Dissolution Act.

“Related Documents” means the Letter of Credit, the Bonds, the Indenture, the Remarketing Agreement, the Tax Certificate relating to the Bonds, the Amendment Resolutions, and any other agreement or instrument relating to the Bonds, as amended from time to time.

“State Street” means State Street Bank and Trust Company and its permitted successors and assigns.

“Successor Agency Resolution” means Resolution No. ___ adopted by the Board of Directors of the Agency on _____, 2013.

SECTION 2. Section 2.03 of the Agreement is hereby amended and restated in its entirety as follows:

2.03. Fees. The fees hereunder shall be as set forth in the Fee Letter Agreement, which is incorporated herein by reference. References to amounts due under this Agreement shall be deemed to include all fees, expenses and other amounts due under the Fee Letter Agreement.

SECTION 3. Section 2.06 of the Agreement is hereby amended and restated in its entirety as follows:

2.06 Increased Costs.

(a) If any Change in Law shall (i) change the basis of taxation of payments to State Street or any parent of State Street of any amounts payable hereunder (except for taxes on the overall net income of State Street or its parent), (ii) impose, modify or deem applicable any reserve, special deposit, liquidity coverage ratio, or similar requirement against letters of credit issued by, or assets held by, or deposits in or for the account of, State Street or any parent of State Street or (iii) impose on State Street any other condition regarding this Agreement, the Letter of Credit, and the result of any event referred to in clause (i), (ii), or (iii) above shall be to (A) increase the cost to State Street of issuing or maintaining the Letter of Credit or holding any Bank Bonds or (B) reduce the amount of any sum received or receivable by State Street or its parent hereunder or the amount receivable or to be received with respect to the Letter of Credit (which increase in cost or reduction in amount shall be determined by State Street's reasonable allocation of the aggregate of such cost increases or such reduced amounts resulting from such event), then, within 60 days after a written demand by State Street, the Agency shall pay to State Street, from time to time as specified by State Street, additional amounts which shall be sufficient to compensate State Street or its parent, as applicable, for such increased cost or such reduced amount. A certificate setting forth such increased cost incurred by State Street or its parent as a result of any event mentioned in clause (i), (ii), or (iii) above and giving a reasonable explanation thereof, submitted by State Street to the Agency, shall constitute such demand and shall, in the absence of manifest error, be conclusive and binding for all purposes as to the amount thereof.

(b) If any Change in Law, shall impose, modify or deem applicable any capital adequacy or similar requirement (including, without limitation, a request or requirement that affects the manner in which State Street, any corporation controlling State Street allocates capital resources to its commitments, including its obligations under lines of credit) that either (A) affects or would affect the amount of capital to be maintained by State

Street, any corporation controlling State Street or (B) reduces or would reduce the rate of return on State Street's or its parent's capital to a level below that which State Street or its parent could have achieved but for such adoption, change or compliance (taking into consideration State Street's policies with respect to capital adequacy) by any amount deemed by State Street to be material, then from time to time, within 60 days after demand by State Street, the Agency shall pay to State Street such additional amount or amounts as will compensate State Street for such reduction. With such demand, State Street shall provide the Agency with a statement in reasonable detail setting forth the calculation of the amount of such compensation. Such statement shall constitute demand for payment of the amount or amounts set forth therein and shall, in the absence of manifest error, be conclusive and binding for all purposes as to the amount or amounts thereof.

SECTION 4. Section 2.07 of the Agreement is hereby amended and restated in its entirety as follows:

Upon the written request of the Agency by facsimile (with an original to follow by overnight courier) in the form of Exhibit C hereto, made no later than 150 days prior to the Expiration Date, State Street shall, within 30 days of such request, notify the Agency, the Trustee and the Tender Agent in writing whether or not State Street will extend the Expiration Date for an additional period of one or more years, and if so, will deliver to the Agency a Notice of Extension in the form of Exhibit D hereto. If State Street fails to notify the Agency of State Street's decision within such 30-day period, State Street shall be deemed to have rejected such request. The Agency and State Street agree, and the Agency understands, that the granting of each such request is completely at the discretion of State Street, and that the granting of any one or more of such requests does not obligate State Street to grant any subsequent such request. If State Street determines to grant any such request, the Expiration Date shall be extended for the applicable period. The covenants and obligations of the Agency contained in this Agreement shall continue in full force and effect upon any extension, renewal or substitution of the Letter of Credit as provided herein, except insofar as State Street may request or agree to any modification thereof.

SECTION 5. For all purposes of the Agreement and the Related Documents, the Successor Agency is deemed to be the legal successor to the Predecessor Agency and has the obligations of a successor agency as set forth in the Dissolution Act. All of the recitals set forth in this Amendment No. 2 shall be incorporated by reference into the recitals of the Agreement as though set forth therein and all defined terms and definitions set forth herein shall be incorporated by reference into Section 1.01 of the Agreement as though set forth therein in the appropriate alphabetical sequence.

SECTION 6. A new subparagraph (l) is added to Section 4.01 of the Agreement immediately following Section 4.01(k) as follows:

(l) The Bonds, the Indenture, the Agreement and each Related Document constitutes an “enforceable obligation” of the Agency for purposes of Section 34171 of the Health and Safety Code of the State of California, as amended. The performance and payment of all of the Agency’s obligations under this Agreement (including the Fee Letter Agreement) are further secured by and payable from the Redevelopment Obligation Retirement Fund and the Redevelopment Property Tax Trust Fund.

SECTION 7. A new subparagraph (m) is added to Section 4.01 of the Agreement immediately following Section 4.01(l) as follows:

(m) Pursuant to the Dissolution Act and the Successor Agency Resolution, the Agency is the successor agency to the Predecessor Agency and, except for those provisions of the Redevelopment Law that were repealed, restricted, or revised pursuant to the Dissolution Act, all authority, rights, powers, duties, and obligations previously vested with the Predecessor Agency under the Redevelopment Law, including, without limitation, all duties and obligations under this Agreement and the other Related Documents are vested with the Successor Agency.

SECTION 8. Section 5.01(a) of the Agreement is hereby amended and restated in its entirety as follows:

(a) Preservation of Existence, Etc. Preserve and maintain its existence and rights as a Successor Agency to the Predecessor Agency under Section 34173(d)(1) of the Redevelopment Law.

SECTION 9. Subparagraph (n) of Section 5.01 of the Agreement is hereby amended and restated in its entirety as follows:

Underlying Rating. The Agency agrees to use its best efforts to cause S&P to maintain the underlying rating on the Bonds in effect on the Closing Date. If S&P announces that it will cancel, withdraw or suspend the assignment of an underlying rating for the Bonds, (i) the Agency will use its best efforts to obtain an underlying rating (the “Replacement Underlying Rating”) for the Bonds from a nationally recognized rating agency or (ii) the Bank may consent in, its sole discretion, that a rating on other obligations of the Agency payable from tax increment will constitute a Replacement Underlying Rating for the purposes hereof. If due to the cancelation, withdrawal or suspension of the assignment of an underlying rating an Event of Default, pursuant to Section 6.01(k), shall have occurred and be continuing, during such period, the Letter of Credit Fee

shall be increased (effective the date of the Event of Default) to a rate of 4.25% per annum on the average daily amount of the Commitment. If the assignment of an underlying rating by S&P is cancelled, withdrawn or suspended (not at the request of the Agency and thus not considered an Event of Default pursuant to Section 6.01(k)), during such period, the Letter of Credit Fee shall be increased (effective 120 days after the date of the cancelation, withdrawal or suspension of the assignment of the underlying rating) to a rate of 3.25% per annum on the average daily amount of the Commitment. Notwithstanding the preceding sentence, once the Replacement Underlying Rating takes effect, the Letter of Credit Fee shall accrue at a rate of (i) 2.25% per annum on the average daily amount of the Commitment, so long as the Replacement Underlying Rating reflects a rating that is at or above investment grade, and (ii) 3.25% per annum on the average daily amount of the Commitment, if the Replacement Underlying Rating reflects a rating that is below investment grade.

SECTION 10. A new subparagraph (q) is added to Section 5.01 of the Agreement immediately following Section 5.01(p) as follows:

(q) (i) The Agency hereby covenants and agrees to include all amounts due and to be due under this Agreement and the Related Documents as required therein in the applicable Recognized Obligation Payment Schedule and hereby covenants and agrees that it shall take all actions within its powers to ensure that such Recognized Obligation Payment Schedule is adopted and the Agency hereby covenants and agrees to pursue any applicable appeal mechanism within its powers if the amounts due under this Agreement and the Related Documents listed on such Recognized Obligation Payment Schedule is not approved or is rejected by the Oversight Board or State Department of Finance.

(ii) The Agency hereby covenants and agrees to provide State Street with copies of each draft Recognized Obligation Payment Schedule at least three (3) Business Days in advance of its submission to the governing board of the Agency.

(iii) The Agency hereby covenants and agrees to provide State Street with copies of each Recognized Obligation Payment Schedule approved by the Oversight Board within two (2) Business Days and shall notify State Street of any objection to such Recognized Obligation Payment Schedule by the Oversight Board or the State Department of Finance relating to items listed thereon in connection with the Agreement or any Related Document.

(iv) The Agency hereby covenants and agrees that it shall notify State Street immediately upon its actual knowledge that funds are or will be insufficient to pay amounts owing under this Agreement or any Related Document or any other obligation payable from tax revenues as and when due. The Agency further covenants and agrees to provide State Street with copies of all correspondence with the County Auditor-Controller regarding any such deficiency.

(v) The Agency hereby covenants and agrees that upon its actual knowledge that amounts under this Agreement a Related Document are not or have not been paid when due, it shall promptly seek the approval of the Oversight Board to pay amounts due under this Agreement or Related Documents in the amounts identified in the Recognized Obligation Payment Schedule from amounts in the Redevelopment Obligation Retirement Fund or the Redevelopment Property Tax Trust Fund so long as there is a reasonable basis for believing that there are or should be sufficient funds in the Redevelopment Obligation Retirement Fund and the Redevelopment Property Tax Trust Fund legally available to pay such amounts. [The Agency hereby covenants and agrees to promptly reduce its Administrative Cost Allowance in the event amounts in the Redevelopment Obligation Retirement Fund or the Redevelopment Property Tax Trust Fund are not sufficient to pay amounts under this Agreement and the Related Documents as and when due.]

(vi) The Agency hereby covenants and agrees that it shall take all actions necessary and within its powers to compel the County Auditor-Controller to properly collect, allocate and distribute Subordinate Pledged Tax Revenues and amounts for, in and with respect to the Redevelopment Property Tax Trust Fund as necessary to pay amounts under this Agreement and the Related Documents as and when due and it shall take corrective action if the County Auditor-Controller fails to do so.

(vii) The Agency hereby covenants and agrees that it shall separately segregate and hold in trust amounts in the Redevelopment Obligation Retirement Fund from amounts in the City treasury and shall only permit amounts due under this Agreement and the Related Documents and other “enforceable obligations” of the Agency for purposes of Section 34171 of the Health and Safety Code, as amended, to be paid from such Redevelopment Obligation Retirement Fund. To maintain the pledge of Subordinate Pledged Tax Revenues for amounts due and owing under the Indenture and this Agreement (including the Fee

Letter Agreement), the Agency shall use its best efforts to compel the County Auditor-Controller to separately segregate all Subordinate Pledged Tax Revenues received for the benefit of obligations payable from such Subordinate Pledged Tax Revenues. The Agency shall coordinate efforts with the County Auditor-Controller to create subaccounts to provide for sufficient payments of amounts due under this Agreement and the Related Documents as and when due.

SECTION 11. Section 6.01(k) is hereby amended and restated in its entirety as follows:

(k) The suspension or cancellation of any underlying rating on the Bonds at the request of the Agency by any Rating Agency then rating the Bonds or the suspension or cancellation of any underlying rating on other Agency obligations payable on parity with the Bonds at the request of the Agency by any Rating Agency then rating such obligations. The suspension or cancellation of any underlying rating on the Bonds or on other Agency obligations payable on parity with the Bonds at the request of the Agency by any Rating Agency then rating the Bonds shall increase the Letter of Credit Fee (effective the date of the Event of Default) to a rate of 4.25% per annum on the average daily amount of the Commitment.

SECTION 12. Section 7.03 of the Agreement is hereby amended and restated in pertinent part as follows:

If to the Agency:

City of Manteca, acting in its capacity as the Successor Agency for the
Manteca Redevelopment Agency
1001 West center
Manteca, California 95337
Attention: City Manager
Facsimile: (209) 825-2333

SECTION 13. Section 7.10 of the Agreement is hereby amended and restated in its entirety as follows:

Security Interest in Funds; Limits of Security.

As additional security for payment of its obligations under this Agreement, the Agency hereby grants a security interest to State Street on a parity with the Bonds, Parity Obligations and scheduled payments under any Qualified Swap Agreement in the Subordinate Pledged Tax Revenues and the Agency's right, title and interest, to the extent thereof, in all

moneys now or hereafter on deposit in or otherwise a part of any Fund held by the Trustee under the Indenture and in the proceeds realized from the investment of any such funds and accounts, other than (i) moneys held on deposit in the Remarketing Proceeds Accounts and (ii) moneys deposited with or paid to the Trustee for the redemption of Bonds; and the Agency hereby consents to State Street's appointment of the Trustee as State Street's agent to perfect State Street's security interest in such funds and accounts. In addition the performance and payment of all of the Agency's obligations under this Agreement are further secured and payable from the Agency's Redevelopment Obligation Retirement Fund and the County Auditor-Controller's Redevelopment Property Tax Trust Fund. Except as may be provided in this Agreement and in the Related Documents, State Street shall take no right, title or interest in any other funds or property of the Agency as and for security for the obligations of the Agency under this Agreement.

SECTION 14. Section 7.14 of the Agreement is hereby amended and restated in its entirety as follows:

7.14 Jury Trial Waiver. (a) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH OF STATE STREET AND THE AGENCY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY CIVIL ACTION OR PROCEEDING ARISING OUT OF, OR BASED UPON, OR IN ANY WAY CONNECTED WITH THIS AGREEMENT (INCLUDING THE FEE LETTER AGREEMENT) OR ANY RELATED DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY.

(b) IF, IN CONNECTION WITH ANY ACTION OR PROCEEDING BEFORE A STATE OR FEDERAL COURT IN THE STATE OF CALIFORNIA, SUCH COURT, OR ANY APPELLATE COURT, DETERMINES THAT THE JURY WAIVER REFERENCED IN PARAGRAPH (A) OF THIS SECTION 7.14 IS UNENFORCEABLE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 631, THE PARTIES HERETO AGREE THAT ANY DISPUTE ARISING UNDER OR RELATING TO THIS AGREEMENT (INCLUDING THE FEE LETTER AGREEMENT), OR ANY RELATED DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY, SHALL BE SUBJECT TO JUDICIAL REFERENCE PURSUANT TO THE TERMS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638. IN SUCH EVENT, (I) THE REFEREE SHALL BE A RETIRED STATE OR FEDERAL JUDGE WITH EXPERIENCE IN PUBLIC FINANCE ISSUES AND (II) THE REFEREE SHALL DETERMINE ALL OF THE ISSUES IN THE ACTION OR PROCEEDING, WHETHER OF FACT OR OF LAW, AND WILL REPORT A STATEMENT OF DECISION. EACH OF THE PARTIES HERETO REPRESENTS THAT EACH HAS REVIEWED THIS CONSENT AND EACH KNOWINGLY AND VOLUNTARILY CONSENTS TO JUDICIAL REFERENCE FOLLOWING CONSULTATION WITH LEGAL COUNSEL ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT OR TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE

SECTION 638 AS PROVIDED HEREIN.

(c) THE PARTIES HERETO HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF THE FEDERAL AND STATE COURTS OF THE STATE OF CALIFORNIA AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION, SUIT OR PROCEEDING BROUGHT AGAINST OR BY IT IN CONNECTION WITH THIS AGREEMENT (INCLUDING THE FEE LETTER AGREEMENT) OR ANY RELATED DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT RELATED THERETO, AND THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREE THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD OR DETERMINED IN SUCH CALIFORNIA FEDERAL OR STATE COURT. THE PARTIES AGREE THAT A FINAL NONAPPEALABLE JUDGMENT IN ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. TO THE EXTENT PERMITTED BY APPLICABLE LAW, IN THE EVENT ANY SUIT, ACTION, CLAIM OR OTHER PROCEEDING IS BROUGHT IN ANY COURT REFERRED TO IN THE IMMEDIATELY PRECEDING SENTENCE, THE PARTIES HEREBY WAIVE AND AGREE NOT TO ASSERT BY WAY OF MOTION, AS A DEFENSE OR OTHERWISE IN ANY SUCH SUIT, ACTION OR PROCEEDING ARISING OUT OF THIS AGREEMENT, THAT THE SUIT, ACTION OR PROCEEDING ARISING OUT OF THIS AGREEMENT (INCLUDING THE FEE LETTER AGREEMENT), OR ANY RELATED DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY, IS BROUGHT IN AN INCONVENIENT FORUM OR THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING ARISING OUT OF THIS AGREEMENT (INCLUDING THE FEE LETTER AGREEMENT), OR ANY RELATED DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY, IS IMPROPER.

(d) THE COVENANTS AND CONSENTS MADE PURSUANT TO THIS SECTION 7.14 SHALL BE IRREVOCABLE AND UNMODIFIABLE, WHETHER IN WRITING OR ORALLY, AND SHALL BE APPLICABLE TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS OF THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

SECTION 15. The Successor Agency shall at all times (i) cause Bonds which are not Bank Bonds to be assigned a CUSIP Number and (ii) cause Bank Bonds to be assigned a Bank Bond CUSIP Number (the "Bank Bond CUSIP Number"). The Successor Agency shall cause, at the Successor Agency's expense, a long-term rating to be assigned to the Bank Bonds bearing the Bank Bond CUSIP Number by at least one of Fitch, Moody's or S&P.

SECTION 16. The Successor Agency shall pay to State Street all costs and expenses incurred by State Street, including, without limitation, attorneys' fees in connection with the execution and delivery of this Amendment No. 2 and the Fee Letter Agreement. The Successor

Agency hereby agrees that all costs and expenses incurred by State Street in connection with the transactions contemplated herein and the satisfaction of the foregoing conditions, including, without limitation, attorneys' fees, are included as obligations under the Original Reimbursement Agreement.

ARTICLE III

CONDITIONS PRECEDENT

The effectiveness of this Amendment No. 2 is subject to the satisfaction of or waiver by State Street of all of the following conditions precedent:

SECTION 1. Delivery by the Successor Agency of an executed counterpart of each of this Amendment No. 2 and the Fee Letter Agreement.

SECTION 2. The following statements shall be true and correct as of the date hereof:

(a) the representations and warranties of the Agency contained in the Agreement (as amended by this Amendment No. 2 and the effect of the Dissolution Act and Assembly Bill 1484) and each of the Related Documents, each as amended, are true and correct on and as of the date hereof as though made on and as of such date (except to the extent the same expressly relate to an earlier date or violate the Dissolution Act); and

(b) no Default or Event of Default has occurred and is continuing or would result from the execution and delivery of this Amendment No. 2 or the Fee Letter Agreement.

SECTION 3. State Street shall have received a copy of a resolution or other authorizing documentation of the Successor Agency authorizing its execution and delivery of this Amendment No. 2, the Fee Letter Agreement and the performance of its obligations under the Agreement, as amended by this Amendment No. 2, and the Fee Letter Agreement.

SECTION 4. State Street shall have received satisfactory written evidence that the Successor Agency has received all necessary third party approvals (including, without limitation, all necessary approvals of the Oversight Board of the Successor Agency or the State Department of Finance) required in connection with the Successor Agency's execution and delivery of this Amendment No. 2 and the Fee Letter Agreement.

SECTION 5. State Street shall have received an opinion of counsel to the Successor Agency in form and substance satisfactory to State Street and its counsel.

SECTION 6. State Street shall have received an opinion of Bond Counsel to the Successor Agency in form and substance satisfactory to State Street and its counsel, to the effect that (i) pursuant to the Dissolution Act and the Redevelopment Law, the City of Manteca is the legal successor agency for the Manteca Redevelopment Agency and has assumed all rights, powers, duties and obligations with respect to the Bonds, the Indenture, the Agreement and each Related Document, (ii) this Amendment No. 2 and the Fee Letter Agreement each constitutes the

legal, valid and binding obligation of the Successor Agency, enforceable against the Successor Agency in accordance with its respective terms, (iii) the Bonds, the Indenture, the Agreement, the Fee Letter Agreement, and each Related Document constitutes an “enforceable obligation” of the Successor Agency for purposes of Section 34171 of the Health and Safety Code, as amended, and the respective amounts due thereunder are payable from the Successor Agency’s Redevelopment Obligation Retirement Fund and the Redevelopment Property Tax Trust Fund and (iv) the Successor Agency is obligated to continue to make payments due under the Agreement and each Related Document and perform its respective obligations thereunder and maintain reserves in the amount, if any, required by the Indenture and the Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE SUCCESSOR AGENCY

In addition to the representations given in Article IV of the Agreement, the Successor Agency hereby represents and warrants as follows:

SECTION 1. The execution, delivery and performance by the Successor Agency of this Amendment No. 2 and the Agreement, as amended hereby, and the Fee Letter Agreement, are within its powers, has been duly authorized by all necessary action and does not contravene any law, rule or regulation, any judgment, order or decree or any contractual restriction binding on or affecting the Successor Agency.

SECTION 2. No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body, which has not already been obtained prior to the Amendment Date is required for the due execution, delivery and performance by the Successor Agency of this Amendment No. 2 or the Agreement, as amended hereby, or the Fee Letter Agreement. All such authorizations and approvals obtained prior to the Amendment Date with respect to the due execution, delivery and performance by the Successor Agency of this Amendment No. 2, the Agreement, as amended hereby, the Fee Letter Agreement, remain in full force and effect and have not been rescinded or modified.

SECTION 3. This Amendment No. 2 and the Agreement, as amended hereby, and the Fee Letter Agreement, each constitutes the legal, valid and binding obligations of the Successor Agency enforceable against the Successor Agency in accordance with its respective terms, except that (i) the enforcement thereof may be limited by principles of sovereign immunity and by bankruptcy, reorganization, insolvency, liquidation, moratorium and other laws relating to or affecting the enforcement of creditors’ rights and remedies generally, as the same may be applied in the event of the bankruptcy, reorganization, insolvency, liquidation or similar situation of the Successor Agency by judicial discretion in appropriate cases and by limitations on legal remedies against public entities in the State of California, and (ii) no representation or warranty is expressed as to the availability of equitable remedies.

ARTICLE V MISCELLANEOUS

SECTION 1. Terms and Conditions. All terms and conditions of the Original Reimbursement Agreement, as amended by Amendment No. 1, remain unchanged and in effect, except as specifically provided herein. This Amendment No. 2 is to be considered a part of the Original Reimbursement Agreement and must be attached thereto. This Amendment No. 2 is effective as of the date indicated above.

SECTION 2. Severability. Any provision of this Amendment No. 2 which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

SECTION 3. Headings. Section headings in this Amendment No. 2 are included herein for convenience of reference only and shall not constitute a part of this Amendment No. 2 for any other purpose.

SECTION 4. Execution in Counterparts. It shall not be necessary that all parties execute and deliver the same counterpart of this Amendment No. 2. This Amendment No. 2 shall therefore become effective when each party has executed any counterpart hereof and delivered the same to the other parties. All such counterparts, collectively, shall be deemed a single agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

SUCCESSOR AGENCY TO THE MANTECA
REDEVELOPMENT AGENCY

By: _____
Name: _____
Title: _____

STATE STREET BANK AND TRUST
COMPANY

By: _____
Name: _____
Title: _____

[Signature Page to Amendment No. 2 to Letter of Credit and Reimbursement Agreement]

NOTICE OF EXTENSION OF EXPIRATION DATE

To:

U.S. Bank, National Association
1420 5th Avenue, 7th Floor
Seattle, Washington 98101
Attention: Corporate Trust Department

Re: Letter of Credit No. ILC-1491/BSN

Ladies and Gentlemen:

Reference is hereby made to the Irrevocable Letter of Credit No. ILC-1491/BSN, dated May 13, 2008 (the "Letter of Credit"), established by State Street Bank and Trust Company in your favor. We hereby notify you that the Expiration Date of the Letter of Credit has been extended to May 13, 2016.

This Notice should be attached to the Letter of Credit and made a part thereof, as an amendment thereof.

Very truly yours,

STATE STREET BANK AND TRUST
COMPANY

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

RESOLUTION NO. 2013-__OB

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE MANTECA REDEVELOPMENT AGENCY APPROVING AN EXTENSION TO THE EXPIRATION DATE OF A LETTER OF CREDIT FOR BONDS ISSUED BY THE MANTECA REDEVELOPMENT AGENCY IN 2005, AND APPROVING AND AUTHORIZING CERTAIN RELATED ACTIONS

Recitals

A. The Manteca Redevelopment Agency (the “Former RDA”) was a redevelopment agency duly created and authorized to transact business and exercise its powers under and pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the California Health and Safety Code and referred to herein as the “CRL”), including the power to issue bonds for its corporate purposes.

B. Pursuant to AB X1 26 (which became effective at the end of June 2011), as modified by the California Supreme Court’s decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal.4th 231(2011)), the Former RDA was dissolved as of February 1, 2012, and the Successor Agency to the Manteca Redevelopment Agency (the “Successor Agency”) was constituted.

C. Pursuant to Health and Safety Code Section 34173, except for those provisions of the Community Redevelopment Law that are repealed, restricted, or revised pursuant to AB X1 26, all authority, rights, powers, duties, and obligations previously vested with the Former RDA under the Community Redevelopment Law are vested in the Successor Agency.

D. Before the Former RDA’s dissolution, in 2005, the Former RDA issued its Amended Merged Project Area, Variable Rate Subordinate Tax Allocation Refunding Bonds, Series 2005 (the “2005 Bonds”).

E. The 2005 Bonds were issued pursuant to an Indenture, dated as of December 1, 2005 (the “Master Indenture”), by and between the Former RDA and U.S. Bank National Association, as trustee (the “Trustee”), as supplemented by a First Supplemental Indenture, dated as of December 1, 2005 (the “First Supplemental Indenture” and, together with the Master Indenture, the “2005 Indenture”), by and between the Former RDA and the Trustee.

F. The 2005 Indenture was further supplemented and amended by a Second Supplemental Indenture, dated as of December 1, 2006 (the “Second Supplemental Indenture”) and a Third Supplemental Indenture, dated as of May 1, 2008 (collectively with the 2005 Indenture and the Second Supplemental Indenture, the “Indenture”), by and between the Former RDA and the Trustee.

G. The 2005 Bonds were issued as variable rate bonds and, from time to time, are subject to tender by bondholders pursuant to the terms of the Indenture.

H. As of the adoption date of this Resolution, there are \$48,870,000 principal amount of 2005 Bonds outstanding.

I. Pursuant to a Letter of Credit and Reimbursement Agreement, dated as of May 1, 2008 (the “2008 LC Reimbursement Agreement”), by and between the Former RDA and State Street Bank and Trust Company (“State Street”), State Street issued its Irrevocable Letter of Credit No. ILC-1491/BSN, dated May 13, 2008 (the “Letter of Credit”) as a Credit Support Instrument (as defined in the Indenture) for the 2005 Bonds.

J. The scheduled expiration date of the Letter of Credit, which was originally May 13, 2010, was extended to May 10, 2013 (the “Expiration Date”), pursuant to an Amendment No. 1 to Letter of Credit and Reimbursement Agreement, dated as of February 1, 2010 (together with the 2008 LC Reimbursement Agreement, the “Reimbursement Agreement”), by and between State Street and the Former RDA.

K. There has been presented to the Successor Agency the forms of (i) an Amendment No. 2 to Letter of Credit and Reimbursement Agreement (“Amendment No. 2 to Reimbursement Agreement”), to be entered into between State Street and the Successor Agency, and (ii) the Fee Letter Agreement (the “Fee Letter Agreement”), to be entered into between State Street and the Successor Agency, relating to Amendment No. 2 to Reimbursement Agreement.

L. Upon the effectiveness of the Amendment No. 2 to Reimbursement Agreement, the Expiration Date will be extended to May 13, 2016.

M. Pursuant to the Indenture and the Reimbursement Agreement, if the Expiration Date is not extended, the 2005 Bonds will be subject to mandatory tender shortly before the Expiration Date and will be purchased by the Trustee using funds drawn from the Letter of Credit, and the 2005 Bonds so purchased by the Trustee will be registered in the name of State Street (such 2005 Bonds registered in the name of State Street being referred to in the Reimbursement Agreement and in this Resolution as “Bank Bonds”).

N. The interest rate on any Bank Bonds will be significantly higher than the historic rate on the 2005 Bonds.

O. Pursuant to Health and Safety Code Section 34181(d), the Oversight Board of the Successor Agency has the authority to, and shall, direct the Successor Agency to determine whether an agreement between the Former RDA and a private party should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities.

P. The Oversight Board has received a copy of Resolution No. 2013-__SA, adopted by the Board of Directors of the Successor Agency on March 2, 2013 (the “Successor Agency Board Resolution”), requesting the Oversight Board to approve the execution and delivery by the Successor Agency of Amendment No. 2 to Reimbursement Agreement and the Fee Letter Agreement. A full copy of the Resolution No. 2013-__SA is attached hereto as Attachment I.

Q. The Board of Directors of the Successor Agency has determined that the extension of the Expiration Date pursuant to the Amendment No. 2 to Reimbursement

Agreement will reduce payment liabilities to the Successor Agency and increase net revenues to the taxing entities.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE MANTECA REDEVELOPMENT AGENCY HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. The foregoing recitals, and each of them, are true and correct.

Section 2. This Oversight Board hereby finds and determines that the extension of the Expiration Date with respect to the Letter of Credit pursuant to the Amendment No. 2 to Reimbursement Agreement will reduce payment liabilities to the Successor Agency and increase net revenues to the taxing entities.

Section 3. This Oversight Board hereby approves the execution and delivery by the Successor Agency of Amendment No. 2 to Reimbursement Agreement and the Fee Letter Agreement, substantially in the forms attached as Exhibit A and Exhibit B to the Successor Agency Board Resolution.

Section 4. The members of this Oversight Board and the staff of the Successor Agency are hereby authorized, jointly and severally, to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution and the Reimbursement Agreement, as amended by Amendment No. 2 to Reimbursement Agreement and the Fee Letter Agreement.

DATED: March __, 2013

AYES:

NOES:

ABSENT:

ABSTAIN:

**DARYLL QUARESMA
CHAIRMAN**

ATTEST:

**JOANN TILTON, MMC
AGENCY SECRETARY**

ATTACHMENT I

Resolution No. 2013-____SA

adopted by
the Board of Directors of the Successor Agency to the Manteca Redevelopment Agency
on March 2, 2013

FEE LETTER AGREEMENT

This Fee Letter Agreement (this “Fee Letter Agreement”), dated as of ~~March~~April 1, 2013 and effective on ~~_____~~May 13, 2013 (the “Effective Date”), by and between the Successor Agency to the Manteca Redevelopment Agency (the “Successor Agency”) and State Street Bank and Trust Company (the “Bank”), sets forth the agreement between the Successor Agency and the Bank with respect to certain fees payable pursuant to the Letter of Credit and Reimbursement Agreement, dated as of May 1, 2008 (the “Original Reimbursement Agreement”), as amended by Amendment No. 1 to Letter of Credit and Reimbursement Agreement, dated April 1, 2010 (“Amendment No. 1”), and as amended by Amendment No. 2 to Letter of Credit and Reimbursement Agreement, dated as of ~~March~~April 1, 2013 (“Amendment No. 2” and, collectively, with the Original Reimbursement Agreement and Amendment No. 1, the “Agreement”). All references to the “Agency” in the Fee Letter Agreement shall be deemed to refer to the “Successor Agency.” For all purposes of the Fee Letter Agreement, the Successor Agency is deemed to be the legal successor to the Predecessor Agency and shall assume all of the duties and obligations of the Predecessor Agency under the Fee Letter Agreement and all other Related Documents. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

Section 1. Fees.

(a) [Reserved].

(b) The Agency hereby agrees to pay State Street a letter of credit fee (the “Letter of Credit Fee”) accruing at a rate of 2.25% per annum on the average daily amount of the Commitment; provided, however, the Bonds shall then have an underlying rating of at least “BBB-” (or its equal) by a Rating Agency. If a Rating Agency downgrades their underlying rating on the Bonds below investment grade, the Letter of Credit Fee shall be increased to a rate of 3.25% per annum on the average daily amount of the Commitment. If an Event of Default shall have occurred and be continuing, the Letter of Credit Fee shall be increased to a rate of 4.25% per annum on the average daily amount of the Commitment. In each case, the Letter of Credit Fee shall be payable in arrears on each Payment Date and on the Expiration Date calculated on the basis of an actual 360 day year. The Letter of Credit Fee shall be considered earned when paid and shall not be refundable.

(c) The Agency hereby agrees to pay State Street a drawing fee of \$250 for each Drawing.

(d) If the Letter of Credit is amended or transferred to a new beneficiary pursuant to the terms thereof, the Agency hereby agrees to pay State Street a fee of \$1,000.

Section 2. Conditions Precedent.

This Fee Letter Agreement shall be effective as of the Effective Date subject to the satisfaction of or waiver by State Street of all of the following conditions precedent:

(a) Delivery by the Successor Agency of an executed counterpart of this Fee Letter Agreement.

(b) Receipt by State Street of evidence of approval by the Oversight Board of the Successor Agency of this Fee Letter Agreement.

(c) All other legal matters pertaining to the execution and delivery of this Fee Letter Agreement shall be satisfactory to State Street and its counsel, including, without limitation, the satisfaction of all conditions precedent set forth in Article III of Amendment No. 2.

Section 3. Representations and Warranties

The Successor Agency hereby represents and warrants as follows:

(a) The execution, delivery and performance by the Successor Agency of this Fee the Letter Agreement is within its corporate powers, has been duly authorized by all necessary corporate action and does not contravene any law or any contractual restriction binding on or affecting the Successor Agency.

(b) Other than approval by the Oversight Board referenced in Section 3(b) hereof, no authorization, approval or other action by, no notice, other than notice to and approval or deemed approval by the State Department of Finance, to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Successor Agency of this Fee Letter Agreement.

(c) This Fee Letter Agreement constitutes a legal, valid and binding obligation of the Successor Agency, enforceable against the Successor Agency in accordance with its terms.

Section 4. Notices.

If to State Street regarding credit matters, to:

State Street Bank and Trust Company
State Street Financial Center SFC/5
Municipal Products
State Street Financial Center
1 Lincoln Street
Boston, MA 02111-2904
Attention: Mimi Li
Tel: (617) 664-3196
Fax: (617) 946-0188

If to State Street regarding operational matters, to:

State Street Bank and Trust Company
Loan Operations Department
Attention: Standby Letter of Credit Unit
Mailstop: CPH~~0426~~[0453](#)
100 Huntington Ave.
Tower 2, 4th Floor
Boston, MA 02116
Attention: Peter J. Connolly
Telephone: (617) ~~937-8798~~[662-8583](#)
Facsimile: (617) ~~937-8866~~[988-6674](#)

Wire instructions with respect to Facility or Other Fees:

State Street Bank and Trust Company
ABA # 011-000-028
Account Name: Municipal Finance Fee Receivable
Account Number: 4867-932-8
Reference: Manteca Redevelopment Agency

Wire instructions to Letter of Credit reimbursement of drawings:

State Street Bank and Trust Company
ABA #011-000-028
Account Name: Municipal Finance Draw Fee Clearing Account
Account Number: 4867-933-6
Reference: Manteca Redevelopment Agency

If to the Agency, to: City of Manteca, acting in its capacity as the
Successor Agency for the Manteca
Redevelopment Agency
1001 West center
Manteca, California 95337
Attention: City Manager
Fax: (209) 825-2333

If to the Trustee and
Tender Agent, to: U.S. Bank National Association
1420 5th Avenue, 7th Floor
Seattle, Washington 98101
Attention: Corporate Trust Department
Fax: (206) 344-4630

If to the Remarketing
Agent, to: Piper Jaffray & Co.
800 Nicolet Mall, 13th Floor
Minneapolis, MN 55402
Attention: Short Term Finance Group
Fax: (612) 313-3082

Section 5. Amendments.

No amendment to this Fee Letter Agreement shall become effective without the prior written consent of the Successor Agency and the Bank.

Section 6. Governing Law.

The governing law, jurisdiction and waiver provisions set forth in the Agreement are incorporated herein by reference as if fully set forth herein.

Section 7. Counterparts.

This Fee Letter Agreement may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument.

Section 8. Severability.

Any provision of this Fee Letter Agreement that is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Fee Letter Agreement to be duly executed and delivered by their respective duly authorized officers as of the day and year first above written.

SUCCESSOR AGENCY TO THE MANTECA
REDEVELOPMENT AGENCY

By: _____
Name: _____
Title: _____

STATE STREET BANK AND TRUST
COMPANY

By: _____
Name: _____
Title: _____

Document comparison by Workshare Compare on Friday, March 01, 2013
12:25:33 PM

Input:	
Document 1 ID	interwovenSite://US_DMS/US2005/60424833/4
Description	#60424833v4<US2005> - 2013 Fee Letter Agreement - Manteca
Document 2 ID	interwovenSite://US_DMS/US2005/60424833/6
Description	#60424833v6<US2005> - 2013 Fee Letter Agreement - Manteca
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	12
Deletions	12
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	24

**AMENDMENT NO. 2 TO
LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT**

THIS AMENDMENT NO. 2 TO LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT, dated as of ~~March~~April 1, 2013 (this “Amendment No. 2”), and effective on May 13, 2013 (the “Amendment Date”), to LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT, dated as of May 1, 2008 (the “Original Reimbursement Agreement”), as amended by Amendment No. 1 to Letter of Credit and Reimbursement Agreement (“Amendment No. 1” and, collectively, with the Original Reimbursement Agreement and Amendment No. 2, the “Agreement”), is made by and between the SUCCESSOR AGENCY TO THE MANTECA REDEVELOPMENT AGENCY (the “Successor Agency”) and STATE STREET BANK AND TRUST COMPANY (“State Street”). Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Original Reimbursement Agreement or, if not defined in the Original Reimbursement Agreement, the Indenture (as defined hereafter).

WHEREAS, pursuant to the Indenture, dated as of December 1, 2005 (the “Master Indenture”) and the First Supplemental Indenture, dated as of December 1, 2005 (the “First Supplemental Indenture” and, together with the Master Indenture, the “2005 Indenture”), each by and between the Manteca Redevelopment Agency (the “Predecessor Agency”) and U.S. Bank National Association, as trustee (the “Trustee”), the Predecessor Agency issued its Amended Merged Project Area Variable Rate Subordinate Tax Allocation Refunding Bonds, Series 2005 (the “Bonds”);

WHEREAS, the 2005 Indenture was further supplemented and amended by a Second Supplemental Indenture, dated as of December 1, 2006 (the “Second Supplemental Indenture”) and a Third Supplemental Indenture, dated as of May 1, 2008 (the “Third Supplemental Indenture” and, collectively, with the 2005 Indenture and the Second Supplemental Indenture, the “Indenture”), each by and between the Predecessor Agency and the Trustee; and

WHEREAS, the Predecessor Agency requested that State Street deliver an irrevocable transferable direct pay letter of credit, in the amount of the Commitment as the Alternate Series 2005 Credit Instrument in connection with the Bonds; and

WHEREAS, State Street delivered such Irrevocable Letter of Credit No. ILC-1491/BSN, dated May 13, 2008 (the “Letter of Credit”), to the Trustee pursuant to the Original Reimbursement Agreement; and

WHEREAS, the California State legislature enacted Assembly Bill x1 26 and Assembly Bill 1484 to dissolve redevelopment agencies formed under the Redevelopment Law, Part 1 of Division 24 of the Health and Safety Code of the State of California, as amended (the “Redevelopment Law”), including, without limitation, the Predecessor Agency; and

WHEREAS, on August 11, 2011, the California Supreme Court agreed to review the California Redevelopment Association and League of California Cities’ petition challenging the constitutionality of the Assembly Bill x1 26 and, on December 29, 2011, ruled that the RDA

Repeal Act is substantially constitutional; and

WHEREAS, as a result of the California Supreme Court's decision, all California redevelopment agencies (including, without limitation, the Predecessor Agency) dissolved on February 1, 2012 pursuant to the Dissolution Act (as defined in Section 1.01 hereof) and the Successor Agency was constituted; and

WHEREAS, pursuant to Section 34173 of the Health and Safety Code of the State of California, except for those provisions of Part 1 of Division 24 of the California Health and Safety Code of the State of California (the "Redevelopment Law") that are repealed, restricted, or revised pursuant to AB X1 26, all authority, rights, powers, duties, and obligations previously vested with the Predecessor Agency under the Redevelopment Law are vested in the Successor Agency.

WHEREAS, pursuant to the Dissolution Act (defined herein), the Successor Agency has established a Redevelopment Obligation Retirement Fund in compliance with Section 34170.5(a) of the Redevelopment Law; and

WHEREAS, pursuant to Section 7.02 of the Agreement, the Agreement may be amended by a written amendment thereto; and

WHEREAS, the parties hereto wish to amend certain provisions of the Agreement to reflect the Successor Agency as successor agency to the Predecessor Agency and the assumption by the Successor Agency of all the rights, powers, duties and obligations of the Predecessor Agency under the Agreement and all Related Documents; and

WHEREAS, State Street and the Successor Agency have agreed to extend the Expiration Date of the Letter of Credit to May 13, 2016 and the Oversight Board of the Successor Agency approved such extension on _____, 2013; and

NOW, THEREFORE, for and in consideration of the mutual premises and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby covenant, agree and bind themselves as follows:

ARTICLE I

AUTHORITY

SECTION 1. This Amendment No. 2 amends the Agreement.

SECTION 2. This Amendment No. 2 is entered into in accordance with Sections 2.07 and 7.02 of the Agreement.

ARTICLE II
AMENDMENTS

SECTION 1. Section 1.01 of the Agreement is hereby amended by adding or amending and restating the following defined terms thereto, to appear in the appropriate alphabetical sequence:

“Agency” means the Successor Agency to the Manteca Redevelopment Agency.

“Amendment Resolutions” means (i) Resolution No. ____ of the Board of Directors of the Agency adopted on _____, 2013 and (ii) Resolution No. ____ of the Oversight Board adopted on _____, 2013.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption, issuance, implementation, promulgation, taking effect of, or any change in, any law, rule, treaty or regulation, or any request, policy, guideline or directive of, or any change in the interpretation, administration or application thereof by any court, central bank or other administrative or Governmental Authority or other fiscal, monetary or other authority having jurisdiction over State Street, any parent of State Street (in each case whether or not having the force of law), (b) compliance by State Street, any parent of State Street with any law, rule, treaty or regulation, request, policy, guideline or directive of any such court, central bank or other administrative or Governmental Authority or other fiscal, monetary or other authority having jurisdiction over State Street, any parent of State Street or (in each case whether or not having the force of law) or (c) any change in the application, interpretation or enforcement of any of the foregoing; provided, that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, rulings, guidelines, regulations or directives thereunder or issued in connection therewith and (ii) all requests, rules, rulings, standards, guidelines, regulations or directives promulgated by the Bank of International Settlements, the Basel Committee on Banking Supervision and Supervisory Practices (or any successor or similar authority or organization) or the United States or foreign regulatory authorities shall in each case be deemed to be a “Change in Law,” regardless of the date enacted, adopted or issued.

“County Auditor-Controller” means the County Auditor-Controller of the County of San Joaquin, California.

“Dissolution Act” means Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State of California, as amended.

“Fee Letter Agreement” means that Fee Letter Agreement, dated as of ~~March~~April 1, 2013, by and between the Agency and State Street.

“Governmental Authority” shall mean the United States or any state or political subdivision thereof or any foreign nation or political subdivision thereof, any entity, body or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government in the United States (or any state, municipality or political subdivision thereof) or any foreign nation or political subdivision thereof, including, without limitation, the Federal Deposit Insurance Corporation or the Federal Reserve Board, any central bank or any comparable authority or other governmental or quasi-governmental authority exercising control over State Street, any parent of State Street or other financial institutions, and any corporation or other entity or authority owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

“Oversight Board” means the oversight board relating to the Agency duly constituted pursuant to Section 34179 of the Dissolution Act.

“Predecessor Agency” means the Manteca Redevelopment Agency.

“Recognized Obligation Payment Schedule” or “ROPS” means a Recognized Obligation Payment Schedule, prepared and approved from time to time pursuant to subdivision (1) of Section 34177 of the Dissolution Act.

“Redevelopment Obligation Retirement Fund” means the fund created within the treasury of the Agency pursuant to Section 34170.5 of the Dissolution Act.

“Redevelopment Property Tax Trust Fund” means the Redevelopment Property Tax Trust Fund established for the Agency and held and administered by the County Auditor-Controller pursuant to subdivision (c) of Section 34172 of the Dissolution Act.

“Related Documents” means the Letter of Credit, the Bonds, the Indenture, the Remarketing Agreement, the Tax Certificate relating to the Bonds, the Amendment Resolutions, and any other agreement or instrument relating to the Bonds, as amended from time to time.

“State Street” means State Street Bank and Trust Company and its permitted successors and assigns.

“Successor Agency Resolution” means Resolution No. ___ adopted by the Board of Directors of the Agency on _____, 2013.

SECTION 2. Section 2.03 of the Agreement is hereby amended and restated in its entirety as follows:

2.03. Fees. The fees hereunder shall be as set forth in the Fee Letter Agreement, which is incorporated herein by reference. References to amounts due under this Agreement shall be deemed to include all fees, expenses and other amounts due under the Fee Letter Agreement.

SECTION 3. Section 2.06 of the Agreement is hereby amended and restated in its entirety as follows:

2.06 Increased Costs.

(a) If any Change in Law shall (i) change the basis of taxation of payments to State Street or any parent of State Street of any amounts payable hereunder (except for taxes on the overall net income of State Street or its parent), (ii) impose, modify or deem applicable any reserve, special deposit, liquidity coverage ratio, or similar requirement against letters of credit issued by, or assets held by, or deposits in or for the account of, State Street or any parent of State Street or (iii) impose on State Street any other condition regarding this Agreement, the Letter of Credit, and the result of any event referred to in clause (i), (ii), or (iii) above shall be to (A) increase the cost to State Street of issuing or maintaining the Letter of Credit or holding any Bank Bonds or (B) reduce the amount of any sum received or receivable by State Street or its parent hereunder or the amount receivable or to be received with respect to the Letter of Credit (which increase in cost or reduction in amount shall be determined by State Street's reasonable allocation of the aggregate of such cost increases or such reduced amounts resulting from such event), then, within ~~60~~190 days after a written demand by State Street, the Agency shall pay to State Street, from time to time as specified by State Street, additional amounts which shall be sufficient to compensate State Street or its parent, as applicable, for such increased cost or such reduced amount. A certificate setting forth such increased cost incurred by State Street or its parent as a result of any event mentioned in clause (i), (ii), or (iii) above and giving a reasonable explanation thereof, submitted by State Street to the Agency, shall constitute such demand and shall, in the absence of manifest error, be conclusive and binding for all purposes as to the amount thereof.

(b) If any Change in Law, shall impose, modify or deem applicable any capital adequacy or similar requirement (including, without limitation, a request or requirement that affects the manner in which State Street, any corporation controlling State Street allocates capital resources to its commitments, including its obligations under lines of credit) that either (A) affects or would affect the amount of capital to be maintained by State

Street, any corporation controlling State Street or (B) reduces or would reduce the rate of return on State Street's or its parent's capital to a level below that which State Street or its parent could have achieved but for such adoption, change or compliance (taking into consideration State Street's policies with respect to capital adequacy) by any amount deemed by State Street to be material, then from time to time, within ~~60~~190 days after demand by State Street, the Agency shall pay to State Street such additional amount or amounts as will compensate State Street for such reduction. With such demand, State Street shall provide the Agency with a statement in reasonable detail setting forth the calculation of the amount of such compensation. Such statement shall constitute demand for payment of the amount or amounts set forth therein and shall, in the absence of manifest error, be conclusive and binding for all purposes as to the amount or amounts thereof.

SECTION 4. Section 2.07 of the Agreement is hereby amended and restated in its entirety as follows:

Upon the written request of the Agency by facsimile (with an original to follow by overnight courier) in the form of Exhibit C hereto, made no later than 150 days prior to the Expiration Date, State Street shall, within 30 days of such request, notify the Agency, the Trustee and the Tender Agent in writing whether or not State Street will extend the Expiration Date for an additional period of one or more years, and if so, will deliver to the Agency a Notice of Extension in the form of Exhibit D hereto. If State Street fails to notify the Agency of State Street's decision within such 30-day period, State Street shall be deemed to have rejected such request. The Agency and State Street agree, and the Agency understands, that the granting of each such request is completely at the discretion of State Street, and that the granting of any one or more of such requests does not obligate State Street to grant any subsequent such request. If State Street determines to grant any such request, the Expiration Date shall be extended for the applicable period. The covenants and obligations of the Agency contained in this Agreement shall continue in full force and effect upon any extension, renewal or substitution of the Letter of Credit as provided herein, except insofar as State Street may request or agree to any modification thereof.

SECTION 5. For all purposes of the Agreement and the Related Documents, the Successor Agency is the legal successor to the Predecessor Agency and has the obligations of a successor agency as set forth in the Dissolution Act. All of the recitals set forth in this Amendment No. 2 shall be incorporated by reference into the recitals of the Agreement as though set forth therein and all defined terms and definitions set forth herein shall be incorporated by reference into Section 1.01 of the Agreement as though set forth therein in the appropriate alphabetical sequence.

SECTION 6. A new subparagraph (l) is added to Section 4.01 of the Agreement immediately following Section 4.01(k) as follows:

(l) The Bonds, the Indenture, the Agreement and each Related Document constitutes an “enforceable obligation” of the Agency for purposes of Section 34171 of the Health and Safety Code of the State of California, as amended. The performance and payment of all of the Agency’s obligations under this Agreement (including the Fee Letter Agreement) are further secured by and payable from the Redevelopment Obligation Retirement Fund and the Redevelopment Property Tax Trust Fund.

SECTION 7. A new subparagraph (m) is added to Section 4.01 of the Agreement immediately following Section 4.01(l) as follows:

(m) Pursuant to the Dissolution Act and the Successor Agency Resolution, the Agency is the successor agency to the Predecessor Agency and, except for those provisions of the Redevelopment Law that were repealed, restricted, or revised pursuant to the Dissolution Act, all authority, rights, powers, duties, and obligations previously vested with the Predecessor Agency under the Redevelopment Law, including, without limitation, all duties and obligations under this Agreement and the other Related Documents are vested with the Successor Agency.

SECTION 8. Section 5.01(a) of the Agreement is hereby amended and restated in its entirety as follows:

(a) Preservation of Existence, Etc. Preserve and maintain its existence and rights as a Successor Agency to the Predecessor Agency under Section 34173(d)(1) of the Redevelopment Law.

SECTION 9. Subparagraph (n) of Section 5.01 of the Agreement is hereby amended and restated in its entirety as follows:

Underlying Rating. The Agency agrees to use its best efforts to cause S&P to maintain the underlying rating on the Bonds in effect on the Closing Date. If S&P announces that it will cancel, withdraw or suspend the assignment of an underlying rating for the Bonds, (i) the Agency will use its best efforts to obtain an underlying rating (the “Replacement Underlying Rating”) for the Bonds from a nationally recognized rating agency or (ii) the Bank may consent in, its sole discretion, that a rating on other obligations of the Agency payable from tax increment will constitute a Replacement Underlying Rating for the purposes hereof. If due to the cancelation, withdrawal or suspension of the assignment of an underlying rating an Event of Default, pursuant to Section 6.01(k), shall have occurred and be continuing, during such period, the Letter of Credit Fee

shall be increased (effective the date of the Event of Default) to a rate of 4.25% per annum on the average daily amount of the Commitment. If the assignment of an underlying rating by S&P is cancelled, withdrawn or suspended (not at the request of the Agency and thus not considered an Event of Default pursuant to Section 6.01(k)), during such period, the Letter of Credit Fee shall be increased (effective 120 days after the date of the cancelation, withdrawal or suspension of the assignment of the underlying rating) to a rate of 3.25% per annum on the average daily amount of the Commitment. Notwithstanding the preceding sentence, once the Replacement Underlying Rating takes effect, the Letter of Credit Fee shall accrue at a rate of (i) 2.25% per annum on the average daily amount of the Commitment, so long as the Replacement Underlying Rating reflects a rating that is at or above investment grade, and (ii) 3.25% per annum on the average daily amount of the Commitment, if the Replacement Underlying Rating reflects a rating that is below investment grade.

SECTION 10. A new subparagraph (q) is added to Section 5.01 of the Agreement immediately following Section 5.01(p) as follows:

(q) (i) The Agency hereby covenants ~~and agrees to include all amounts due and to be due under this Agreement and the Related Documents as required therein in the applicable Recognized Obligation Payment Schedule and hereby covenants and agrees that it shall take all actions within its powers to ensure that such Recognized Obligation Payment Schedule is adopted and the Agency hereby covenants and agrees to pursue any applicable appeal mechanism within its powers if the amounts due under this Agreement and the Related Documents listed on such~~that, if an amount due under this Agreement or any Related Document listed on a Recognized Obligation Payment Schedule is not approved or is rejected by the Oversight Board or State Department of Finance (the "Rejected Amount"), the Agency shall pursue reinstatement on a Recognized Obligation Payment Schedule of such Rejected Amount through administrative means. The Agency further covenants that if administrative means are not successful within a reasonable period of time, as determined by State Street, the Agency will, to the extent within its power (and the Agency shall seek approval from the Oversight Board if necessary), file and prosecute a petition for writ of mandate and, if appropriate, declaratory relief, in the Superior Court of the State of California with respect thereto and otherwise cooperate with State Street to the fullest extent provided under this Agreement and in particular Section 7.09 hereof. This Section 5.01(p) shall not be construed to limit any other provision of this Agreement.

(ii) The Agency hereby covenants and agrees to provide State Street with copies of each draft Recognized Obligation Payment Schedule at least ~~threetwo~~ (32) Business Days in advance of ~~its submission to the governing board of the Agency~~ the meeting during which the Oversight Board is expected to approve the Recognized Obligation Payment Schedule.

(iii) The Agency hereby covenants and agrees to provide State Street with copies of each Recognized Obligation Payment Schedule approved by the Oversight Board within two (2) Business Days and shall notify State Street of any objection to such Recognized Obligation Payment Schedule by the Oversight Board or the State Department of Finance relating to items listed thereon in connection with the Agreement or any Related Document.

(iv) The Agency hereby covenants and agrees that it shall notify State Street immediately upon its actual knowledge that funds are or will be insufficient to pay amounts owing under this Agreement or any Related Document or any other obligation payable from tax revenues as and when due. The Agency further covenants and agrees to provide State Street with copies of all correspondence with the County Auditor-Controller regarding any such deficiency.

(v) The Agency hereby covenants and agrees that upon its actual knowledge that amounts under this Agreement a Related Document are not or have not been paid when due, it shall promptly seek the approval of the Oversight Board to pay amounts due under this Agreement or Related Documents in the amounts identified in the Recognized Obligation Payment Schedule from amounts in the Redevelopment Obligation Retirement Fund or the Redevelopment Property Tax Trust Fund so long as there is a reasonable basis for believing that there are or should be sufficient funds in the Redevelopment Obligation Retirement Fund and the Redevelopment Property Tax Trust Fund legally available to pay such amounts.

(vi) The Agency hereby covenants and agrees that it shall take all actions necessary and within its powers to compel the County Auditor-Controller to properly collect, allocate and distribute Subordinate Pledged Tax Revenues and amounts for, in and with respect to the Redevelopment Property Tax Trust Fund as necessary to pay amounts under this Agreement and the Related Documents as and when due and it shall take corrective action if the County Auditor-Controller fails to do so.

(vii) The Agency hereby covenants and agrees that it shall separately segregate and hold in trust amounts in the Redevelopment Obligation Retirement Fund from amounts in the City treasury and shall only permit amounts due under this Agreement and the Related Documents and other “enforceable obligations” of the Agency for purposes of Section 34171 of the Health and Safety Code, as amended, to be paid from such Redevelopment Obligation Retirement Fund. To maintain the pledge of Subordinate Pledged Tax Revenues for amounts due and owing under the Indenture and this Agreement (including the Fee Letter Agreement), the Agency shall use its best efforts to compel the County Auditor-Controller to separately segregate all Subordinate Pledged Tax Revenues received for the benefit of obligations payable from such Subordinate Pledged Tax Revenues. The Agency shall coordinate efforts with the County Auditor-Controller to create subaccounts to provide for sufficient payments of amounts due under this Agreement and the Related Documents as and when due.

SECTION 11. Section 6.01(k) is hereby amended and restated in its entirety as follows:

(k) The suspension or cancellation of any underlying rating on the Bonds at the request of the Agency by any Rating Agency then rating the Bonds or the suspension or cancellation of any underlying rating on other Agency obligations payable on parity with the Bonds at the request of the Agency by any Rating Agency then rating such obligations. The suspension or cancellation of any underlying rating on the Bonds or on other Agency obligations payable on parity with the Bonds at the request of the Agency by any Rating Agency then rating the Bonds shall increase the Letter of Credit Fee (effective the date of the Event of Default) to a rate of 4.25% per annum on the average daily amount of the Commitment.

SECTION 12. Section 7.03 of the Agreement is hereby amended and restated in pertinent part as follows:

If to the Agency:

City of Manteca, acting in its capacity as the Successor Agency for the
Manteca Redevelopment Agency
1001 West center
Manteca, California 95337
Attention: City Manager
Facsimile: (209) 825-2333

SECTION 13. Section 7.10 of the Agreement is hereby amended by adding the following at the end of such Section:

Security Interest in Funds; Limits of Security.

In addition the performance and payment of all of the Agency's obligations under this Agreement are further secured and payable from the Redevelopment Obligation Retirement Fund and the Redevelopment Property Tax Trust Fund.

SECTION 14. Section 7.14 of the Agreement is hereby amended and restated in its entirety as follows:

7.14 Jury Trial Waiver. (a) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH OF STATE STREET AND THE AGENCY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY CIVIL ACTION OR PROCEEDING ARISING OUT OF, OR BASED UPON, OR IN ANY WAY CONNECTED WITH THIS AGREEMENT (INCLUDING THE FEE LETTER AGREEMENT) OR ANY RELATED DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY.

(b) IF, IN CONNECTION WITH ANY ACTION OR PROCEEDING BEFORE A STATE OR FEDERAL COURT IN THE STATE OF CALIFORNIA, SUCH COURT, OR ANY APPELLATE COURT, DETERMINES THAT THE JURY WAIVER REFERENCED IN PARAGRAPH (A) OF THIS SECTION 7.14 IS UNENFORCEABLE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 631, THE PARTIES HERETO AGREE THAT ANY DISPUTE ARISING UNDER OR RELATING TO THIS AGREEMENT (INCLUDING THE FEE LETTER AGREEMENT), OR ANY RELATED DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY, SHALL BE SUBJECT TO JUDICIAL REFERENCE PURSUANT TO THE TERMS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638. IN SUCH EVENT, (I) THE REFEREE SHALL BE A RETIRED STATE OR FEDERAL JUDGE WITH EXPERIENCE IN PUBLIC FINANCE ISSUES AND (II) THE REFEREE SHALL DETERMINE ALL OF THE ISSUES IN THE ACTION OR PROCEEDING, WHETHER OF FACT OR OF LAW, AND WILL REPORT A STATEMENT OF DECISION. EACH OF THE PARTIES HERETO REPRESENTS THAT EACH HAS REVIEWED THIS CONSENT AND EACH KNOWINGLY AND VOLUNTARILY CONSENTS TO JUDICIAL REFERENCE FOLLOWING CONSULTATION WITH LEGAL COUNSEL ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT OR TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 AS PROVIDED HEREIN.

(c) THE PARTIES HERETO HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF THE FEDERAL AND STATE COURTS OF THE STATE OF CALIFORNIA AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION, SUIT OR PROCEEDING BROUGHT AGAINST OR BY IT IN CONNECTION WITH THIS AGREEMENT (INCLUDING THE FEE LETTER AGREEMENT) OR ANY RELATED DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT RELATED THERETO, AND THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREE THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR

PROCEEDING MAY BE HEARD OR DETERMINED IN SUCH CALIFORNIA FEDERAL OR STATE COURT. THE PARTIES AGREE THAT A FINAL NONAPPEALABLE JUDGMENT IN ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. TO THE EXTENT PERMITTED BY APPLICABLE LAW, IN THE EVENT ANY SUIT, ACTION, CLAIM OR OTHER PROCEEDING IS BROUGHT IN ANY COURT REFERRED TO IN THE IMMEDIATELY PRECEDING SENTENCE, THE PARTIES HEREBY WAIVE AND AGREE NOT TO ASSERT BY WAY OF MOTION, AS A DEFENSE OR OTHERWISE IN ANY SUCH SUIT, ACTION OR PROCEEDING ARISING OUT OF THIS AGREEMENT, THAT THE SUIT, ACTION OR PROCEEDING ARISING OUT OF THIS AGREEMENT (INCLUDING THE FEE LETTER AGREEMENT), OR ANY RELATED DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY, IS BROUGHT IN AN INCONVENIENT FORUM OR THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING ARISING OUT OF THIS AGREEMENT (INCLUDING THE FEE LETTER AGREEMENT), OR ANY RELATED DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY, IS IMPROPER.

(d) THE COVENANTS AND CONSENTS MADE PURSUANT TO THIS SECTION 7.14 SHALL BE IRREVOCABLE AND UNMODIFIABLE, WHETHER IN WRITING OR ORALLY, AND SHALL BE APPLICABLE TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS OF THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

SECTION 15. The Successor Agency shall at all times (i) cause Bonds which are not Bank Bonds to be assigned a CUSIP Number and (ii) cause Bank Bonds to be assigned a Bank Bond CUSIP Number (the "Bank Bond CUSIP Number"). The Successor Agency shall use its best efforts to cause, at the Successor Agency's expense, within sixty (60) days of a written request by State Street, a long-term rating to be assigned to the Bank Bonds bearing the Bank Bond CUSIP Number by at least one of Fitch, Moody's or S&P.

SECTION 16. The Successor Agency shall pay to State Street all costs and expenses incurred by State Street, including, without limitation, attorneys' fees in connection with the execution and delivery of this Amendment No. 2 and the Fee Letter Agreement. The Successor Agency hereby agrees that all costs and expenses incurred by State Street in connection with the transactions contemplated herein and the satisfaction of the foregoing conditions, including, without limitation, attorneys' fees, are included as obligations under the Original Reimbursement Agreement.

ARTICLE III

CONDITIONS PRECEDENT

The effectiveness of this Amendment No. 2 is subject to the satisfaction of or waiver by State Street of all of the following conditions precedent:

SECTION 1. Delivery by the Successor Agency of an executed counterpart of each of this Amendment No. 2 and the Fee Letter Agreement.

SECTION 2. The following statements shall be true and correct as of the date hereof:

(a) the representations and warranties of the Agency contained in the Agreement (as amended by this Amendment No. 2 and the effect of the Dissolution Act and Assembly Bill 1484) and each of the Related Documents, each as amended, are true and correct on and as of the date hereof as though made on and as of such date (except to the extent the same expressly relate to an earlier date or violate the Dissolution Act); and

(b) no Default or Event of Default has occurred and is continuing or would result from the execution and delivery of this Amendment No. 2 or the Fee Letter Agreement.

SECTION 3. State Street shall have received a copy of a resolution or other authorizing documentation of the Successor Agency and the Oversight Board authorizing its execution and delivery of this Amendment No. 2, the Fee Letter Agreement and the performance of its obligations under the Agreement, as amended by this Amendment No. 2, and the Fee Letter Agreement.

SECTION 4. State Street shall have received satisfactory written evidence that the Successor Agency has received all necessary third party approvals (including, without limitation, all necessary approvals of the Oversight Board of the Successor Agency or the State Department of Finance) required in connection with the Successor Agency's execution and delivery of this Amendment No. 2 and the Fee Letter Agreement.

SECTION 5. State Street shall have received an opinion of counsel to the Successor Agency in form and substance satisfactory to State Street and its counsel.

SECTION 6. State Street shall have received an opinion of Bond Counsel to the Successor Agency in form and substance satisfactory to State Street and its counsel, to the effect that (i) pursuant to the Dissolution Act and the Redevelopment Law, the ~~City of Mantee~~Successor Agency is the legal successor agency for the Manteca Redevelopment Agency and has assumed all rights, powers, duties and obligations with respect to the Bonds, the Indenture, the Agreement and each Related Document, (ii) this Amendment No. 2 and the Fee Letter Agreement each constitutes the legal, valid and binding obligation of the Successor Agency, enforceable against the Successor Agency in accordance with its respective terms, (iii) the Bonds, the Indenture, the Agreement, the Fee Letter Agreement, and each Related Document constitutes an "enforceable obligation" of the Successor Agency for purposes of Section 34171 of the Health and Safety Code, as amended, and the respective amounts due thereunder are payable from the Successor Agency's Redevelopment Obligation Retirement Fund and the Redevelopment Property Tax Trust Fund and (iv) the Successor Agency is obligated to continue to make payments due under the Agreement and each Related Document and perform its respective obligations thereunder and maintain reserves in the amount, if any, required by the Indenture and the Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE SUCCESSOR AGENCY

In addition to the representations given in Article IV of the Agreement, the Successor Agency hereby represents and warrants as follows:

SECTION 1. The execution, delivery and performance by the Successor Agency of this Amendment No. 2 and the Agreement, as amended hereby, and the Fee Letter Agreement, are within its powers, has been duly authorized by all necessary action and does not contravene any law, rule or regulation, any judgment, order or decree or any contractual restriction binding on or affecting the Successor Agency.

SECTION 2. No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body, which has not already been obtained prior to the Amendment Date is required for the due execution, delivery and performance by the Successor Agency of this Amendment No. 2 or the Agreement, as amended hereby, or the Fee Letter Agreement. All such authorizations and approvals obtained prior to the Amendment Date with respect to the due execution, delivery and performance by the Successor Agency of this Amendment No. 2, the Agreement, as amended hereby, the Fee Letter Agreement, remain in full force and effect and have not been rescinded or modified.

SECTION 3. This Amendment No. 2 and the Agreement, as amended hereby, and the Fee Letter Agreement, each constitutes the legal, valid and binding obligations of the Successor Agency enforceable against the Successor Agency in accordance with its respective terms, except that (i) the enforcement thereof may be limited by principles of sovereign immunity and by bankruptcy, reorganization, insolvency, liquidation, moratorium and other laws relating to or affecting the enforcement of creditors' rights and remedies generally, as the same may be applied in the event of the bankruptcy, reorganization, insolvency, liquidation or similar situation of the Successor Agency by judicial discretion in appropriate cases and by limitations on legal remedies against public entities in the State of California, and (ii) no representation or warranty is expressed as to the availability of equitable remedies.

ARTICLE V MISCELLANEOUS

SECTION 1. Terms and Conditions. All terms and conditions of the Original Reimbursement Agreement, as amended by Amendment No. 1, remain unchanged and in effect, except as specifically provided herein. This Amendment No. 2 is to be considered a part of the Original Reimbursement Agreement and must be attached thereto. This Amendment No. 2 is effective as of the date indicated above.

SECTION 2. Severability. Any provision of this Amendment No. 2 which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without

invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

SECTION 3. Headings. Section headings in this Amendment No. 2 are included herein for convenience of reference only and shall not constitute a part of this Amendment No. 2 for any other purpose.

SECTION 4. Execution in Counterparts. It shall not be necessary that all parties execute and deliver the same counterpart of this Amendment No. 2. This Amendment No. 2 shall therefore become effective when each party has executed any counterpart hereof and delivered the same to the other parties. All such counterparts, collectively, shall be deemed a single agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

SUCCESSOR AGENCY TO THE MANTECA
REDEVELOPMENT AGENCY

By: _____

Name: _____

Title: _____

STATE STREET BANK AND TRUST
COMPANY

By: _____

Name: _____

Title: _____

[Signature Page to Amendment No. 2 to Letter of Credit and Reimbursement Agreement]

NOTICE OF EXTENSION OF EXPIRATION DATE AND
AMENDMENT OF LETTER OF CREDIT

To:

U.S. Bank, National Association
1420 5th Avenue, 7th Floor
Seattle, Washington 98101
Attention: Corporate Trust Department

Re: Letter of Credit No. ILC-1491/BSN

Ladies and Gentlemen:

Reference is hereby made to the Irrevocable Letter of Credit No. ILC-1491/BSN, dated May 13, 2008 (the "Letter of Credit"), established by State Street Bank and Trust Company in your favor. We hereby notify you that the Expiration Date of the Letter of Credit has been extended to May 13, 2016.

We hereby also notify you of the following administrative amendments to the Letter of Credit:

1. The address of the Bank that appears on pages 3, and 6 of the Letter of Credit is deleted and the following shall be substituted therefor:

For Letter of Credit Draws and Communications:

State Street Bank and Trust
Company Loan Operations Department
Attention: Standby Letter of
Credit Unit, Mailstop: CPH0453
100 Huntington Ave., Tower 1
4th Floor
Boston, MA 02116
Attention: Peter J. Connolly
Telephone: (617) 662-8588
Facsimile: (617) 988-6674

2. The Facsimile Transmission No. for the Bank that appears on pages 3 and 6 of the Letter of Credit is deleted and the following shall be substituted therefor: (617) 988-6674.

3. The Telephone No. for the Bank that appears on pages 3 and 6 of the Letter of Credit is deleted and the following shall be substituted therefor: (617) 662-8588.

4. The address of the Bank that appears on ANNEXES A, B, C, D and E of the Letter of Credit is deleted and the following shall be substituted therefor:

State Street Bank and Trust Company
Loan Operations Department
Attention: Standby Letter of Credit Unit
Mailstop: CPH0453
100 Huntington Ave., Tower 1, 4th Floor
Boston, Massachusetts 02116

5. All references to the “Manteca Redevelopment Agency” or the “Agency” shall mean the Successor Agency to the Manteca Redevelopment Agency.

This Notice should be attached to the Letter of Credit and made a part thereof, as an amendment thereof.

Very truly yours,

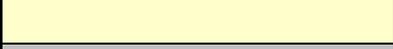
STATE STREET BANK AND TRUST
COMPANY

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Document comparison by Workshare Compare on Monday, March 04, 2013
2:12:05 PM

Input:	
Document 1 ID	interwovenSite://US_DMS/US2005/60424798/5
Description	#60424798v5<US2005> - Amendment No. 2 to Letter of Credit and Reimbursement Agreement- State Street (Manteca Redevelopment Agency Series 2005)
Document 2 ID	interwovenSite://US_DMS/US2005/60424798/7
Description	#60424798v7<US2005> - Amendment No. 2 to Letter of Credit and Reimbursement Agreement- State Street (Manteca Redevelopment Agency Series 2005)
Rendering set	Standard

Legend:	
	<u>Insertion</u>
	Deletion
	Moved from
	<u>Moved to</u>
	Style change
	Format change
	Moved deletion
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	17
Deletions	15
Moved from	1
Moved to	1
Style change	0
Format changed	0
Total changes	34

**AMENDMENT NO. 2 TO
LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT**

THIS AMENDMENT NO. 2 TO LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT, dated as of April 1, 2013 (this “Amendment No. 2”), and effective on May 13, 2013 (the “Amendment Date”), to LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT, dated as of May 1, 2008 (the “Original Reimbursement Agreement”), as amended by Amendment No. 1 to Letter of Credit and Reimbursement Agreement (“Amendment No. 1” and, collectively, with the Original Reimbursement Agreement and Amendment No. 2, the “Agreement”), is made by and between the SUCCESSOR AGENCY TO THE MANTECA REDEVELOPMENT AGENCY (the “Successor Agency”) and STATE STREET BANK AND TRUST COMPANY (“State Street”). Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Original Reimbursement Agreement or, if not defined in the Original Reimbursement Agreement, the Indenture (as defined hereafter).

WHEREAS, pursuant to the Indenture, dated as of December 1, 2005 (the “Master Indenture”) and the First Supplemental Indenture, dated as of December 1, 2005 (the “First Supplemental Indenture” and, together with the Master Indenture, the “2005 Indenture”), each by and between the Manteca Redevelopment Agency (the “Predecessor Agency”) and U.S. Bank National Association, as trustee (the “Trustee”), the Predecessor Agency issued its Amended Merged Project Area Variable Rate Subordinate Tax Allocation Refunding Bonds, Series 2005 (the “Bonds”);

WHEREAS, the 2005 Indenture was further supplemented and amended by a Second Supplemental Indenture, dated as of December 1, 2006 (the “Second Supplemental Indenture”) and a Third Supplemental Indenture, dated as of May 1, 2008 (the “Third Supplemental Indenture” and, collectively, with the 2005 Indenture and the Second Supplemental Indenture, the “Indenture”), each by and between the Predecessor Agency and the Trustee; and

WHEREAS, the Predecessor Agency requested that State Street deliver an irrevocable transferable direct pay letter of credit, in the amount of the Commitment as the Alternate Series 2005 Credit Instrument in connection with the Bonds; and

WHEREAS, State Street delivered such Irrevocable Letter of Credit No. ILC-1491/BSN, dated May 13, 2008 (the “Letter of Credit”), to the Trustee pursuant to the Original Reimbursement Agreement; and

WHEREAS, the California State legislature enacted Assembly Bill x1 26 and Assembly Bill 1484 to dissolve redevelopment agencies formed under the Redevelopment Law, Part 1 of Division 24 of the Health and Safety Code of the State of California, as amended (the “Redevelopment Law”), including, without limitation, the Predecessor Agency; and

WHEREAS, on August 11, 2011, the California Supreme Court agreed to review the California Redevelopment Association and League of California Cities’ petition challenging the constitutionality of the Assembly Bill x1 26 and, on December 29, 2011, ruled that the RDA

Repeal Act is substantially constitutional; and

WHEREAS, as a result of the California Supreme Court's decision, all California redevelopment agencies (including, without limitation, the Predecessor Agency) dissolved on February 1, 2012 pursuant to the Dissolution Act (as defined in Section 1.01 hereof) and the Successor Agency was constituted; and

WHEREAS, pursuant to Section 34173 of the Health and Safety Code of the State of California, except for those provisions of Part 1 of Division 24 of the California Health and Safety Code of the State of California (the "Redevelopment Law") that are repealed, restricted, or revised pursuant to AB X1 26, all authority, rights, powers, duties, and obligations previously vested with the Predecessor Agency under the Redevelopment Law are vested in the Successor Agency.

WHEREAS, pursuant to the Dissolution Act (defined herein), the Successor Agency has established a Redevelopment Obligation Retirement Fund in compliance with Section 34170.5(a) of the Redevelopment Law; and

WHEREAS, pursuant to Section 7.02 of the Agreement, the Agreement may be amended by a written amendment thereto; and

WHEREAS, the parties hereto wish to amend certain provisions of the Agreement to reflect the Successor Agency as successor agency to the Predecessor Agency and the assumption by the Successor Agency of all the rights, powers, duties and obligations of the Predecessor Agency under the Agreement and all Related Documents; and

WHEREAS, State Street and the Successor Agency have agreed to extend the Expiration Date of the Letter of Credit to May 13, 2016 and the Oversight Board of the Successor Agency approved such extension on _____, 2013; and

NOW, THEREFORE, for and in consideration of the mutual premises and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby covenant, agree and bind themselves as follows:

ARTICLE I

AUTHORITY

SECTION 1. This Amendment No. 2 amends the Agreement.

SECTION 2. This Amendment No. 2 is entered into in accordance with Sections 2.07 and 7.02 of the Agreement.

ARTICLE II
AMENDMENTS

SECTION 1. Section 1.01 of the Agreement is hereby amended by adding or amending and restating the following defined terms thereto, to appear in the appropriate alphabetical sequence:

“Agency” means the Successor Agency to the Manteca Redevelopment Agency.

“Amendment Resolutions” means (i) Resolution No. ____ of the Board of Directors of the Agency adopted on _____, 2013 and (ii) Resolution No. ____ of the Oversight Board adopted on _____, 2013.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption, issuance, implementation, promulgation, taking effect of, or any change in, any law, rule, treaty or regulation, or any request, policy, guideline or directive of, or any change in the interpretation, administration or application thereof by any court, central bank or other administrative or Governmental Authority or other fiscal, monetary or other authority having jurisdiction over State Street, any parent of State Street (in each case whether or not having the force of law), (b) compliance by State Street, any parent of State Street with any law, rule, treaty or regulation, request, policy, guideline or directive of any such court, central bank or other administrative or Governmental Authority or other fiscal, monetary or other authority having jurisdiction over State Street, any parent of State Street or (in each case whether or not having the force of law) or (c) any change in the application, interpretation or enforcement of any of the foregoing; provided, that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, rulings, guidelines, regulations or directives thereunder or issued in connection therewith and (ii) all requests, rules, rulings, standards, guidelines, regulations or directives promulgated by the Bank of International Settlements, the Basel Committee on Banking Supervision and Supervisory Practices (or any successor or similar authority or organization) or the United States or foreign regulatory authorities shall in each case be deemed to be a “Change in Law,” regardless of the date enacted, adopted or issued.

“County Auditor-Controller” means the County Auditor-Controller of the County of San Joaquin, California.

“Dissolution Act” means Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State of California, as amended.

“Fee Letter Agreement” means that Fee Letter Agreement, dated as of April 1, 2013, by and between the Agency and State Street.

“Governmental Authority” shall mean the United States or any state or political subdivision thereof or any foreign nation or political subdivision thereof, any entity, body or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government in the United States (or any state, municipality or political subdivision thereof) or any foreign nation or political subdivision thereof, including, without limitation, the Federal Deposit Insurance Corporation or the Federal Reserve Board, any central bank or any comparable authority or other governmental or quasi-governmental authority exercising control over State Street, any parent of State Street or other financial institutions, and any corporation or other entity or authority owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

“Oversight Board” means the oversight board relating to the Agency duly constituted pursuant to Section 34179 of the Dissolution Act.

“Predecessor Agency” means the Manteca Redevelopment Agency.

“Recognized Obligation Payment Schedule” or “ROPS” means a Recognized Obligation Payment Schedule, prepared and approved from time to time pursuant to subdivision (1) of Section 34177 of the Dissolution Act.

“Redevelopment Obligation Retirement Fund” means the fund created within the treasury of the Agency pursuant to Section 34170.5 of the Dissolution Act.

“Redevelopment Property Tax Trust Fund” means the Redevelopment Property Tax Trust Fund established for the Agency and held and administered by the County Auditor-Controller pursuant to subdivision (c) of Section 34172 of the Dissolution Act.

“Related Documents” means the Letter of Credit, the Bonds, the Indenture, the Remarketing Agreement, the Tax Certificate relating to the Bonds, the Amendment Resolutions, and any other agreement or instrument relating to the Bonds, as amended from time to time.

“State Street” means State Street Bank and Trust Company and its permitted successors and assigns.

“Successor Agency Resolution” means Resolution No. ___ adopted by the Board of Directors of the Agency on _____, 2013.

SECTION 2. Section 2.03 of the Agreement is hereby amended and restated in its entirety as follows:

2.03. Fees. The fees hereunder shall be as set forth in the Fee Letter Agreement, which is incorporated herein by reference. References to amounts due under this Agreement shall be deemed to include all fees, expenses and other amounts due under the Fee Letter Agreement.

SECTION 3. Section 2.06 of the Agreement is hereby amended and restated in its entirety as follows:

2.06 Increased Costs.

(a) If any Change in Law shall (i) change the basis of taxation of payments to State Street or any parent of State Street of any amounts payable hereunder (except for taxes on the overall net income of State Street or its parent), (ii) impose, modify or deem applicable any reserve, special deposit, liquidity coverage ratio, or similar requirement against letters of credit issued by, or assets held by, or deposits in or for the account of, State Street or any parent of State Street or (iii) impose on State Street any other condition regarding this Agreement, the Letter of Credit, and the result of any event referred to in clause (i), (ii), or (iii) above shall be to (A) increase the cost to State Street of issuing or maintaining the Letter of Credit or holding any Bank Bonds or (B) reduce the amount of any sum received or receivable by State Street or its parent hereunder or the amount receivable or to be received with respect to the Letter of Credit (which increase in cost or reduction in amount shall be determined by State Street's reasonable allocation of the aggregate of such cost increases or such reduced amounts resulting from such event), then, within ~~190 days~~nine (9) months after a written demand by State Street, the Agency shall pay to State Street, from time to time as specified by State Street, additional amounts which shall be sufficient to compensate State Street or its parent, as applicable, for such increased cost or such reduced amount. A certificate setting forth such increased cost incurred by State Street or its parent as a result of any event mentioned in clause (i), (ii), or (iii) above and giving a reasonable explanation thereof, submitted by State Street to the Agency, shall constitute such demand and shall, in the absence of manifest error, be conclusive and binding for all purposes as to the amount thereof.

(b) If any Change in Law, shall impose, modify or deem applicable any capital adequacy or similar requirement (including, without limitation, a request or requirement that affects the manner in which State Street, any corporation controlling State Street allocates capital resources to its commitments, including its obligations under lines of credit) that either (A) affects or would affect the amount of capital to be maintained by State

Street, any corporation controlling State Street or (B) reduces or would reduce the rate of return on State Street's or its parent's capital to a level below that which State Street or its parent could have achieved but for such adoption, change or compliance (taking into consideration State Street's policies with respect to capital adequacy) by any amount deemed by State Street to be material, then from time to time, within ~~190 days~~nine (9) months after demand by State Street, the Agency shall pay to State Street such additional amount or amounts as will compensate State Street for such reduction. With such demand, State Street shall provide the Agency with a statement in reasonable detail setting forth the calculation of the amount of such compensation. Such statement shall constitute demand for payment of the amount or amounts set forth therein and shall, in the absence of manifest error, be conclusive and binding for all purposes as to the amount or amounts thereof.

SECTION 4. Section 2.07 of the Agreement is hereby amended and restated in its entirety as follows:

Upon the written request of the Agency by facsimile (with an original to follow by overnight courier) in the form of Exhibit C hereto, made no later than 150 days prior to the Expiration Date, State Street shall, within 30 days of such request, notify the Agency, the Trustee and the Tender Agent in writing whether or not State Street will extend the Expiration Date for an additional period of one or more years, and if so, will deliver to the Agency a Notice of Extension in the form of Exhibit D hereto. If State Street fails to notify the Agency of State Street's decision within such 30-day period, State Street shall be deemed to have rejected such request. The Agency and State Street agree, and the Agency understands, that the granting of each such request is completely at the discretion of State Street, and that the granting of any one or more of such requests does not obligate State Street to grant any subsequent such request. If State Street determines to grant any such request, the Expiration Date shall be extended for the applicable period. The covenants and obligations of the Agency contained in this Agreement shall continue in full force and effect upon any extension, renewal or substitution of the Letter of Credit as provided herein, except insofar as State Street may request or agree to any modification thereof.

SECTION 5. For all purposes of the Agreement and the Related Documents, the Successor Agency is the legal successor to the Predecessor Agency and has the obligations of a successor agency as set forth in the Dissolution Act. All of the recitals set forth in this Amendment No. 2 shall be incorporated by reference into the recitals of the Agreement as though set forth therein and all defined terms and definitions set forth herein shall be incorporated by reference into Section 1.01 of the Agreement as though set forth therein in the appropriate alphabetical sequence.

SECTION 6. A new subparagraph (l) is added to Section 4.01 of the Agreement immediately following Section 4.01(k) as follows:

(l) The Bonds, the Indenture, the Agreement and each Related Document constitutes an “enforceable obligation” of the Agency for purposes of Section 34171 of the Health and Safety Code of the State of California, as amended. The performance and payment of all of the Agency’s obligations under this Agreement (including the Fee Letter Agreement) are further secured by and payable from the Redevelopment Obligation Retirement Fund and the Redevelopment Property Tax Trust Fund.

SECTION 7. A new subparagraph (m) is added to Section 4.01 of the Agreement immediately following Section 4.01(l) as follows:

(m) Pursuant to the Dissolution Act and the Successor Agency Resolution, the Agency is the successor agency to the Predecessor Agency and, except for those provisions of the Redevelopment Law that were repealed, restricted, or revised pursuant to the Dissolution Act, all authority, rights, powers, duties, and obligations previously vested with the Predecessor Agency under the Redevelopment Law, including, without limitation, all duties and obligations under this Agreement and the other Related Documents are vested with the Successor Agency.

SECTION 8. Section 5.01(a) of the Agreement is hereby amended and restated in its entirety as follows:

(a) Preservation of Existence, Etc. Preserve and maintain its existence and rights as a Successor Agency to the Predecessor Agency under Section 34173(d)(1) of the Redevelopment Law.

SECTION 9. Subparagraph (n) of Section 5.01 of the Agreement is hereby amended and restated in its entirety as follows:

Underlying Rating. The Agency agrees to use its best efforts to cause S&P to maintain the underlying rating on the Bonds in effect on the Closing Date. If S&P announces that it will cancel, withdraw or suspend the assignment of an underlying rating for the Bonds, (i) the Agency will use its best efforts to obtain an underlying rating (the “Replacement Underlying Rating”) for the Bonds from a nationally recognized rating agency or (ii) the Bank may consent in, its sole discretion, that a rating on other obligations of the Agency payable from tax increment will constitute a Replacement Underlying Rating for the purposes hereof. If due to the cancelation, withdrawal or suspension of the assignment of an underlying rating an Event of Default, pursuant to Section 6.01(k), shall have occurred and be continuing, during such period, the Letter of Credit Fee

shall be increased (effective the date of the Event of Default) to a rate of 4.25% per annum on the average daily amount of the Commitment. If the assignment of an underlying rating by S&P is cancelled, withdrawn or suspended (not at the request of the Agency and thus not considered an Event of Default pursuant to Section 6.01(k)), during such period, the Letter of Credit Fee shall be increased (effective 120 days after the date of the cancelation, withdrawal or suspension of the assignment of the underlying rating) to a rate of 3.25% per annum on the average daily amount of the Commitment. Notwithstanding the preceding sentence, once the Replacement Underlying Rating takes effect, the Letter of Credit Fee shall accrue at a rate of (i) 2.25% per annum on the average daily amount of the Commitment, so long as the Replacement Underlying Rating reflects a rating that is at or above investment grade, and (ii) 3.25% per annum on the average daily amount of the Commitment, if the Replacement Underlying Rating reflects a rating that is below investment grade.

SECTION 10. A new subparagraph (q) is added to Section 5.01 of the Agreement immediately following Section 5.01(p) as follows:

(q) (i) The Agency hereby covenants that, if an amount due under this Agreement or any Related Document listed on a Recognized Obligation Payment Schedule is not approved or is rejected by the Oversight Board or State Department of Finance (the “Rejected Amount”), the Agency shall pursue reinstatement on a Recognized Obligation Payment Schedule of such Rejected Amount through administrative means. The Agency further covenants that if administrative means are not successful within a reasonable period of time, as determined by State Street, the Agency will, to the extent within its power (and the Agency shall seek approval from the Oversight Board if necessary), file and prosecute a petition for writ of mandate and, if appropriate, declaratory relief, in the Superior Court of the State of California with respect thereto and otherwise cooperate with State Street to the fullest extent provided under this Agreement and in particular Section 7.09 hereof. This Section 5.01(p) shall not be construed to limit any other provision of this Agreement.

(ii) The Agency hereby covenants and agrees to provide State Street with copies of each draft Recognized Obligation Payment Schedule at least two (2) Business Days in advance of the meeting during which the Oversight Board is expected to approve the Recognized Obligation Payment Schedule.

(iii) The Agency hereby covenants and agrees to provide State Street with copies of each Recognized Obligation Payment

Schedule approved by the Oversight Board within two (2) Business Days and shall notify State Street of any objection to such Recognized Obligation Payment Schedule by the Oversight Board or the State Department of Finance relating to items listed thereon in connection with the Agreement or any Related Document.

(iv) The Agency hereby covenants and agrees that it shall notify State Street immediately upon its actual knowledge that funds are or will be insufficient to pay amounts owing under this Agreement or any Related Document or any other obligation payable from tax revenues as and when due. The Agency further covenants and agrees to provide State Street with copies of all correspondence with the County Auditor-Controller regarding any such deficiency.

(v) The Agency hereby covenants and agrees that upon its actual knowledge that amounts under this Agreement a Related Document are not or have not been paid when due, it shall promptly seek the approval of the Oversight Board to pay amounts due under this Agreement or Related Documents in the amounts identified in the Recognized Obligation Payment Schedule from amounts in the Redevelopment Obligation Retirement Fund or the Redevelopment Property Tax Trust Fund so long as there is a reasonable basis for believing that there are or should be sufficient funds in the Redevelopment Obligation Retirement Fund and the Redevelopment Property Tax Trust Fund legally available to pay such amounts.

(vi) The Agency hereby covenants and agrees that it shall take all actions necessary and within its powers to compel the County Auditor-Controller to properly collect, allocate and distribute Subordinate Pledged Tax Revenues and amounts for, in and with respect to the Redevelopment Property Tax Trust Fund as necessary to pay amounts under this Agreement and the Related Documents as and when due and it shall take corrective action if the County Auditor-Controller fails to do so.

(vii) The Agency hereby covenants and agrees that it shall separately segregate and hold in trust amounts in the Redevelopment Obligation Retirement Fund from amounts in the City treasury and shall only permit amounts due under this Agreement and the Related Documents and other “enforceable obligations” of the Agency for purposes of Section 34171 of the Health and Safety Code, as amended, to be paid from such Redevelopment Obligation Retirement Fund. To maintain the

pledge of Subordinate Pledged Tax Revenues for amounts due and owing under the Indenture and this Agreement (including the Fee Letter Agreement), the Agency shall use its best efforts to compel the County Auditor-Controller to separately segregate all Subordinate Pledged Tax Revenues received for the benefit of obligations payable from such Subordinate Pledged Tax Revenues. The Agency shall coordinate efforts with the County Auditor-Controller to create subaccounts to provide for sufficient payments of amounts due under this Agreement and the Related Documents as and when due.

SECTION 11. Section 6.01(k) is hereby amended and restated in its entirety as follows:

(k) The suspension or cancellation of any underlying rating on the Bonds at the request of the Agency by any Rating Agency then rating the Bonds or the suspension or cancellation of any underlying rating on other Agency obligations payable on parity with the Bonds at the request of the Agency by any Rating Agency then rating such obligations. The suspension or cancellation of any underlying rating on the Bonds or on other Agency obligations payable on parity with the Bonds at the request of the Agency by any Rating Agency then rating the Bonds shall increase the Letter of Credit Fee (effective the date of the Event of Default) to a rate of 4.25% per annum on the average daily amount of the Commitment.

SECTION 12. Section 7.03 of the Agreement is hereby amended and restated in pertinent part as follows:

If to the Agency:

City of Manteca, acting in its capacity as the Successor Agency for the
Manteca Redevelopment Agency
1001 West center
Manteca, California 95337
Attention: City Manager
Facsimile: (209) 825-2333

SECTION 13. Section 7.10 of the Agreement is hereby amended by adding the following at the end of such Section:

Security Interest in Funds; Limits of Security.

In addition the performance and payment of all of the Agency's obligations under this Agreement are further secured and payable from the Redevelopment Obligation Retirement Fund and the Redevelopment Property Tax Trust Fund.

SECTION 14. Section 7.14 of the Agreement is hereby amended and restated in its entirety as follows:

7.14 Jury Trial Waiver. (a) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH OF STATE STREET AND THE AGENCY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY CIVIL ACTION OR PROCEEDING ARISING OUT OF, OR BASED UPON, OR IN ANY WAY CONNECTED WITH THIS AGREEMENT (INCLUDING THE FEE LETTER AGREEMENT) OR ANY RELATED DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY.

(b) IF, IN CONNECTION WITH ANY ACTION OR PROCEEDING BEFORE A STATE OR FEDERAL COURT IN THE STATE OF CALIFORNIA, SUCH COURT, OR ANY APPELLATE COURT, DETERMINES THAT THE JURY WAIVER REFERENCED IN PARAGRAPH (A) OF THIS SECTION 7.14 IS UNENFORCEABLE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 631, THE PARTIES HERETO AGREE THAT ANY DISPUTE ARISING UNDER OR RELATING TO THIS AGREEMENT (INCLUDING THE FEE LETTER AGREEMENT), OR ANY RELATED DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY, SHALL BE SUBJECT TO JUDICIAL REFERENCE PURSUANT TO THE TERMS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638. IN SUCH EVENT, (I) THE REFEREE SHALL BE A RETIRED STATE OR FEDERAL JUDGE WITH EXPERIENCE IN PUBLIC FINANCE ISSUES AND (II) THE REFEREE SHALL DETERMINE ALL OF THE ISSUES IN THE ACTION OR PROCEEDING, WHETHER OF FACT OR OF LAW, AND WILL REPORT A STATEMENT OF DECISION. EACH OF THE PARTIES HERETO REPRESENTS THAT EACH HAS REVIEWED THIS CONSENT AND EACH KNOWINGLY AND VOLUNTARILY CONSENTS TO JUDICIAL REFERENCE FOLLOWING CONSULTATION WITH LEGAL COUNSEL ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT OR TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 AS PROVIDED HEREIN.

(c) THE PARTIES HERETO HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF THE FEDERAL AND STATE COURTS OF THE STATE OF CALIFORNIA AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION, SUIT OR PROCEEDING BROUGHT AGAINST OR BY IT IN CONNECTION WITH THIS AGREEMENT (INCLUDING THE FEE LETTER AGREEMENT) OR ANY RELATED DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT RELATED THERETO, AND THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREE THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR

PROCEEDING MAY BE HEARD OR DETERMINED IN SUCH CALIFORNIA FEDERAL OR STATE COURT. THE PARTIES AGREE THAT A FINAL NONAPPEALABLE JUDGMENT IN ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. TO THE EXTENT PERMITTED BY APPLICABLE LAW, IN THE EVENT ANY SUIT, ACTION, CLAIM OR OTHER PROCEEDING IS BROUGHT IN ANY COURT REFERRED TO IN THE IMMEDIATELY PRECEDING SENTENCE, THE PARTIES HEREBY WAIVE AND AGREE NOT TO ASSERT BY WAY OF MOTION, AS A DEFENSE OR OTHERWISE IN ANY SUCH SUIT, ACTION OR PROCEEDING ARISING OUT OF THIS AGREEMENT, THAT THE SUIT, ACTION OR PROCEEDING ARISING OUT OF THIS AGREEMENT (INCLUDING THE FEE LETTER AGREEMENT), OR ANY RELATED DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY, IS BROUGHT IN AN INCONVENIENT FORUM OR THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING ARISING OUT OF THIS AGREEMENT (INCLUDING THE FEE LETTER AGREEMENT), OR ANY RELATED DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY, IS IMPROPER.

(d) THE COVENANTS AND CONSENTS MADE PURSUANT TO THIS SECTION 7.14 SHALL BE IRREVOCABLE AND UNMODIFIABLE, WHETHER IN WRITING OR ORALLY, AND SHALL BE APPLICABLE TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS OF THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

SECTION 15. The Successor Agency shall at all times (i) cause Bonds which are not Bank Bonds to be assigned a CUSIP Number and (ii) cause Bank Bonds to be assigned a Bank Bond CUSIP Number (the "Bank Bond CUSIP Number"). The Successor Agency shall use its best efforts to cause, at the Successor Agency's expense, within sixty (60) days of a written request by State Street, a long-term rating to be assigned to the Bank Bonds bearing the Bank Bond CUSIP Number by at least one of Fitch, Moody's or S&P.

SECTION 16. The Successor Agency shall pay to State Street all costs and expenses incurred by State Street, including, without limitation, attorneys' fees in connection with the execution and delivery of this Amendment No. 2 and the Fee Letter Agreement. The Successor Agency hereby agrees that all costs and expenses incurred by State Street in connection with the transactions contemplated herein and the satisfaction of the foregoing conditions, including, without limitation, attorneys' fees, are included as obligations under the Original Reimbursement Agreement.

ARTICLE III

CONDITIONS PRECEDENT

The effectiveness of this Amendment No. 2 is subject to the satisfaction of or waiver by State Street of all of the following conditions precedent:

SECTION 1. Delivery by the Successor Agency of an executed counterpart of each of this Amendment No. 2 and the Fee Letter Agreement.

SECTION 2. The following statements shall be true and correct as of the date hereof:

(a) the representations and warranties of the Agency contained in the Agreement (as amended by this Amendment No. 2 and the effect of the Dissolution Act and Assembly Bill 1484) and each of the Related Documents, each as amended, are true and correct on and as of the date hereof as though made on and as of such date (except to the extent the same expressly relate to an earlier date or violate the Dissolution Act); and

(b) no Default or Event of Default has occurred and is continuing or would result from the execution and delivery of this Amendment No. 2 or the Fee Letter Agreement.

SECTION 3. State Street shall have received a copy of a resolution or other authorizing documentation of the Successor Agency and the Oversight Board authorizing its execution and delivery of this Amendment No. 2, the Fee Letter Agreement and the performance of its obligations under the Agreement, as amended by this Amendment No. 2, and the Fee Letter Agreement.

SECTION 4. State Street shall have received satisfactory written evidence that the Successor Agency has received all necessary third party approvals (including, without limitation, all necessary approvals of the Oversight Board of the Successor Agency or the State Department of Finance) required in connection with the Successor Agency's execution and delivery of this Amendment No. 2 and the Fee Letter Agreement.

SECTION 5. State Street shall have received an opinion of counsel to the Successor Agency in form and substance satisfactory to State Street and its counsel.

SECTION 6. State Street shall have received an opinion of Bond Counsel to the Successor Agency in form and substance satisfactory to State Street and its counsel, to the effect that (i) pursuant to the Dissolution Act and the Redevelopment Law, the Successor Agency is the legal successor agency for the Manteca Redevelopment Agency and has assumed all rights, powers, duties and obligations with respect to the Bonds, the Indenture, the Agreement and each Related Document, (ii) this Amendment No. 2 and the Fee Letter Agreement each constitutes the legal, valid and binding obligation of the Successor Agency, enforceable against the Successor Agency in accordance with its respective terms, (iii) the Bonds, the Indenture, the Agreement, the Fee Letter Agreement, and each Related Document constitutes an "enforceable obligation" of the Successor Agency for purposes of Section 34171 of the Health and Safety Code, as amended, and the respective amounts due thereunder are payable from the Successor Agency's Redevelopment Obligation Retirement Fund and the Redevelopment Property Tax Trust Fund and (iv) the Successor Agency is obligated to continue to make payments due under the Agreement and each Related Document and perform its respective obligations thereunder and maintain reserves in the amount, if any, required by the Indenture and the Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE SUCCESSOR AGENCY

In addition to the representations given in Article IV of the Agreement, the Successor Agency hereby represents and warrants as follows:

SECTION 1. The execution, delivery and performance by the Successor Agency of this Amendment No. 2 and the Agreement, as amended hereby, and the Fee Letter Agreement, are within its powers, has been duly authorized by all necessary action and does not contravene any law, rule or regulation, any judgment, order or decree or any contractual restriction binding on or affecting the Successor Agency.

SECTION 2. No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body, which has not already been obtained prior to the Amendment Date is required for the due execution, delivery and performance by the Successor Agency of this Amendment No. 2 or the Agreement, as amended hereby, or the Fee Letter Agreement. All such authorizations and approvals obtained prior to the Amendment Date with respect to the due execution, delivery and performance by the Successor Agency of this Amendment No. 2, the Agreement, as amended hereby, the Fee Letter Agreement, remain in full force and effect and have not been rescinded or modified.

SECTION 3. This Amendment No. 2 and the Agreement, as amended hereby, and the Fee Letter Agreement, each constitutes the legal, valid and binding obligations of the Successor Agency enforceable against the Successor Agency in accordance with its respective terms, except that (i) the enforcement thereof may be limited by principles of sovereign immunity and by bankruptcy, reorganization, insolvency, liquidation, moratorium and other laws relating to or affecting the enforcement of creditors' rights and remedies generally, as the same may be applied in the event of the bankruptcy, reorganization, insolvency, liquidation or similar situation of the Successor Agency by judicial discretion in appropriate cases and by limitations on legal remedies against public entities in the State of California, and (ii) no representation or warranty is expressed as to the availability of equitable remedies.

ARTICLE V MISCELLANEOUS

SECTION 1. Terms and Conditions. All terms and conditions of the Original Reimbursement Agreement, as amended by Amendment No. 1, remain unchanged and in effect, except as specifically provided herein. This Amendment No. 2 is to be considered a part of the Original Reimbursement Agreement and must be attached thereto. This Amendment No. 2 is effective as of the date indicated above.

SECTION 2. Severability. Any provision of this Amendment No. 2 which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without

invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

SECTION 3. Headings. Section headings in this Amendment No. 2 are included herein for convenience of reference only and shall not constitute a part of this Amendment No. 2 for any other purpose.

SECTION 4. Execution in Counterparts. It shall not be necessary that all parties execute and deliver the same counterpart of this Amendment No. 2. This Amendment No. 2 shall therefore become effective when each party has executed any counterpart hereof and delivered the same to the other parties. All such counterparts, collectively, shall be deemed a single agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

SUCCESSOR AGENCY TO THE MANTECA
REDEVELOPMENT AGENCY

By: _____
Name: _____
Title: _____

STATE STREET BANK AND TRUST
COMPANY

By: _____
Name: _____
Title: _____

[Signature Page to Amendment No. 2 to Letter of Credit and Reimbursement Agreement]

NOTICE OF EXTENSION OF EXPIRATION DATE AND
AMENDMENT OF LETTER OF CREDIT

To:

U.S. Bank, National Association
1420 5th Avenue, 7th Floor
Seattle, Washington 98101
Attention: Corporate Trust Department

Re: Letter of Credit No. ILC-1491/BSN

Ladies and Gentlemen:

Reference is hereby made to the Irrevocable Letter of Credit No. ILC-1491/BSN, dated May 13, 2008 (the "Letter of Credit"), established by State Street Bank and Trust Company in your favor. We hereby notify you that the Expiration Date of the Letter of Credit has been extended to May 13, 2016.

We hereby also notify you of the following administrative amendments to the Letter of Credit:

1. The address of the Bank that appears on pages 3, and 6 of the Letter of Credit is deleted and the following shall be substituted therefor:

For Letter of Credit Draws and Communications:

State Street Bank and Trust
Company Loan Operations Department
Attention: Standby Letter of
Credit Unit, Mailstop: CPH0453
100 Huntington Ave., Tower 1
4th Floor
Boston, MA 02116
Attention: Peter J. Connolly
Telephone: (617) 662-8588
Facsimile: (617) 988-6674

2. The Facsimile Transmission No. for the Bank that appears on pages 3 and 6 of the Letter of Credit is deleted and the following shall be substituted therefor: (617) 988-6674.

3. The Telephone No. for the Bank that appears on pages 3 and 6 of the Letter of Credit is deleted and the following shall be substituted therefor: (617) 662-8588.

4. The address of the Bank that appears on ANNEXES A, B, C, D and E of the Letter of Credit is deleted and the following shall be substituted therefor:

State Street Bank and Trust Company
Loan Operations Department
Attention: Standby Letter of Credit Unit
Mailstop: CPH0453
100 Huntington Ave., Tower 1, 4th Floor
Boston, Massachusetts 02116

5. All references to the “Manteca Redevelopment Agency” or the “Agency” shall mean the Successor Agency to the Manteca Redevelopment Agency.

This Notice should be attached to the Letter of Credit and made a part thereof, as an amendment thereof.

Very truly yours,

STATE STREET BANK AND TRUST
COMPANY

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Document comparison by Workshare Compare on Wednesday, March 06, 2013
12:30:24 PM

Input:	
Document 1 ID	interwovenSite://US_DMS/US2005/60424798/7
Description	#60424798v7<US2005> - Amendment No. 2 to Letter of Credit and Reimbursement Agreement- State Street (Manteca Redevelopment Agency Series 2005)
Document 2 ID	interwovenSite://US_DMS/US2005/60424798/8
Description	#60424798v8<US2005> - Amendment No. 2 to Letter of Credit and Reimbursement Agreement- State Street (Manteca Redevelopment Agency Series 2005)
Rendering set	Standard

Legend:	
Insertion	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	6
Deletions	6
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	12