



City of South Lake Tahoe

"making a positive difference now"

STAFF REPORT

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SOUTH TAHOE REDEVELOPMENT AGENCY MEETING OF MAY 15, 2015

To: South Tahoe Board of Directors of the South Tahoe Redevelopment Successor Agency
Governing Board

From: Thomas Watson, Attorney for South Tahoe Redevelopment Successor Agency
Mark Carlson, Administrative Services Director, for STRSA

Re: Resolution Of The Oversight Board Of The Successor Agency To The South Tahoe
Redevelopment Agency Approving The Successor Agency's Issuance Of Tax Allocation
Notes And Transient Occupancy Tax Notes To Refund Outstanding Indebtedness Of
The Successor Agency And Taking Related Actions

RECOMMENDATION:

Adopt Resolution (Attachment 1)

BACKGROUND:

In the early 1980s, the City of South Lake Tahoe began efforts to substantially improve blighted and deteriorated areas in the Stateline/Tourist Core area of the community in 1989, Redevelopment Project Area No. 1 was adopted. The area primarily includes Highway 50 from Stateline Avenue to Ski Run Blvd (see map, Attachment 2). Two large "anchor resort" projects were planned near each end of the Project Area. In the Stateline area, the Former Redevelopment Agency (Agency) acquired and demolished 526 dilapidated and underutilized motel rooms. The new hotel (Former Embassy Suites, now Lake Tahoe Resort Hotel) opened in 1991 with 400 high quality rooms. The Agency assisted that project with approximately \$28 million in Tax Allocation Notes. At the other end of the Project Area, the Ski Run Marina Village area, between 1997 and 2008, the Agency provided approximately \$9 million in assistance for Ski Run Marina improvements, development of a 184 time share vacation resort (Lake Tahoe Vacation Resort/Diamond Resort), public and environmental improvements.

Between 2000 and 2005, the Agency provided approximately \$50 million in assistance (through Tax Allocation Bonds) for the development of Heavenly Village, a 17-acre project site. The Agency acquired the entire site, demolished the improvements, and sold the land to the developer. The construction included 199 Marriot Grand Residence Club and 261 Marriot Timber Lodge time share lodging units, a multi-screen cinema, retail and commercial space, an outdoor public space utilized for winter ice skating and summer miniature golf and an inter-modal transit center.

Total Indebtedness

As shown in the table below, the total principal indebtedness for all of the bonds issuances in the Project Area (2005 Series, 2007 Series, and 2014 Series) is \$78.3M. The total indebtedness including principal and interest is \$127.6M.

	Principal	Total Indebtedness
2005 Series A	30,110,000	45,752,250
2007 Series A	18,995,000	35,882,561
2014 Series A	29,230,000	45,922,303
Total	\$78,335,000	\$127,557,114

Structure of Debt Repayment

The average annual debt service for the entire series of bonds with the previous refunding that was done in December 2014 is approximately \$5.5M. Repayment of the debt is secured by property taxes (Property Tax Increment ("TI") collected in the project area in accordance with the Former Redevelopment Agency's Loan Agreements (described below). The debt service is further secured by Transient Occupancy Taxes ("TOT") collected in the project area. If TI is insufficient, and there are no other revenues available, TOT revenues are provided as a secured and pledged revenue to ensure the debt service payments are made.

As shown below, in 1999, Tax Increment was nearly sufficient to cover the entire debt service payment. However, due to the impact of the Great Recession on reduced property values, along with delayed construction in the Project Area, the amount needed in 2014-2015 from other revenues (selling of assets, TOT, etc.) is estimated at \$2,212,679.

	1999-2000	2014-15
Tax Increment	5,662,706	3,345,028
Bond Debt Service	5,751,813	5,557,707
Shortfall	(89,107)	(2,212,679)

Value of Redevelopment Properties

Prior to the 2008 Great Recession, the value of the three projects described above (Former Embassy Suites, Ski Run Village and Heavenly Village) totaled approximately \$585M demonstrating a favorable return on the Agency's investment of approximately \$90M. The value for two of the projects (Ski Run Village and Heavenly Village) dropped by \$260 million through 2014-15, while the value for the former Embassy Suites has remained constant. In addition to the increase in property values, the TOT from the Project Area generate approximately \$4M in revenue, which is available as a secured pledge of revenue to the bonds when Property Tax Increment in the Project Area and other available revenues are insufficient to cover debt service.

However, during the recession, secured property values in the Project Area declined by approximately \$379M (from \$882.9M to \$503.6M). Property values are expected to improve with the economic recovery and new construction in the Project Area.

ISSUE AND DISCUSSION:

The Successor Agency successfully completed a refunding in 2014, yielding annual debt service savings that range from \$181,515 to \$431,405 (totaling over \$5 million through the final maturity

of the bonds). Staff recommends that the Board adopt the attached resolution, approving a refunding of the outstanding 2005 Bonds. Similar to the 2014 refunding, the Successor Agency will execute supplements to certain existing agreements (described under "REFUNDING DOCUMENTS" below) to provide for the incurrence of refunding debt (the "2015 Refunding Bonds"). As stated in the attached resolution, the principal amount of the 2015 Refunding Bonds will not exceed **\$35,000,000**. The Redevelopment Dissolution Law provides that the issuance of the 2015 Refunding Bonds must meet the following conditions:

- (i) The total interest cost to maturity on the 2015 Refunding Bonds, plus the principal amount of the 2015 Refunding Bonds, must not exceed the total remaining interest cost to maturity on the 2005 Refunding Bonds, plus the principal amount of the 2015 Refunding Bonds; and
- (ii) The principal amount of the 2015 Refunding Bonds must not exceed the amount necessary to pay off the 2005 Bonds, plus the amounts for the establishment of customary debt service reserves and payment of costs of issuance.

Attached is the analysis prepared by the Public Financial Management, the Successor Agency's Financial Advisor (Attachment 3), which shows that the 2015 Refunding Bonds are expected to satisfy these conditions.

Process

On May 5, 2015 the Governing Board of the Successor Agency to the South Tahoe Redevelopment Agency met and approved resolution 2015-3 "Approving the Successor Agency's Issuance of Tax Allocation Notes and Transient Occupancy Tax Notes to Refund Outstanding Indebtedness of the Successor Agency and Taking Certain Related Actions". If the attached resolution is adopted by the Board, the item will be forwarded to the State Department of Finance (the "DOF"). Once the Successor Agency receives the DOF's approval of the Oversight Board resolution, Staff will return to the Successor Agency Board for approval of additional documents, including a preliminary official statement (an offering disclosure document) and a bond purchase agreement to be executed with Stifel Nicolas & Company, the bond underwriter. Subsequently, the bonds will receive a rating as well as bids for bond insurance based on that rating.

Financing Team

The Successor Agency will be assisted by the same team which worked on the 2014 refunding. Stifel Nicolas & Company (Eileen Gallagher) is the bond underwriter. Public Financial Management (Robert Gamble) serves as the Financial Advisor. Richards, Watson & Gershon (Teresa Ho-Urano) serves as Bond Counsel. Jones Hall (David Fama) serves as Disclosure Counsel. Fraser & Associates (Don Fraser) serves as the fiscal consultant. Even before the 2014 refunding, each of these team members had experience working with the City of South Lake Tahoe and the former Redevelopment Agency as either members of the original financing team or previous refunding transactions or in providing on-going services. Each of these team members has been sole-sourced due to their unique knowledge of the bonds as well as post-redevelopment era financial and legal transaction requirements.

REFUNDING DOCUMENTS:

The structure of the 2015 refunding will be the same as those for prior bond issues. The South Tahoe Joint Powers Financing Authority (the "Authority") will assist the Successor Agency by issuing the Authority's Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No.

1) 2015 Series A (the "2015 Authority Bonds"), to provide funds to refund the 2005 Bonds. The 2015 Authority Bonds will be issued pursuant to a Trust Agreement, as supplemented and amended, by and between the Authority and The Bank of New York Mellon Trust Company, N.A, as trustee (the "Bond Trustee"). In connection with the issuance of the 2015 Authority Bonds, the Successor Agency will incur loans under two agreements, the TA Loan Agreement and the TOT Loan Agreement (both defined below). The repayments to be made by the Successor Agency under the TA Loan Agreement and the TOT Loan Agreement will be used to pay debt service on the 2015 Authority Bonds.

Attached to this Staff Report are the supplements to the Trust Agreement, the TA Loan Agreement and the TOT Loan Agreement, to be executed in connection with this 2015 refunding. Below is a description of these documents.

7th Supplemental Trust Agreement (Attachment 4)

The original Trust Agreement was executed in 1995. The Trust Agreement sets forth the terms of the Authority bonds issued to assist the former Redevelopment Agency and, now, the Successor Agency, with the financing and refinancing of the projects. Before the former Redevelopment Agency's dissolution, the Original Trust Agreement had already been supplemented and amended by a First Supplemental Trust Agreement, dated March 1, 1999, a Second Supplemental Trust Agreement, dated as of April 1, 2003, a Third Supplemental Trust Agreement, dated as of September 1, 2004, and a Fourth Supplemental Trust Agreement, dated as of July 1, 2005, and a Fifth Supplemental Loan Agreement, dated as of August 1, 2007. In connection with the 2014 refunding, the Authority and the Bond Trustee entered into a Sixth Supplemental Trust Agreement, dated as of December 1, 2014. Attached is the form of the Seven Supplemental Trust Agreement to be executed in connection with this 2015 refunding. Because the Seven Supplemental Trust Agreement will be executed by the Authority and the Bond Trustee (and not the Successor Agency), there is no need for the Successor Agency Board to formally approve this document. However, because it is a key component to the refunding, Staff is including it for the Board's information.

7th Supplemental TA Loan Agreement (Attachment 5)

Also attached is the form of a Seventh Supplemental Loan Agreement to the Master Tax Allocation Loan Agreement. The Master Tax Allocation Agreement was originally executed in 1995. It has been supplemented and amended by a First Supplemental Loan Agreement, dated as of March 1, 1999, a Second Supplemental Loan Agreement, dated as of April 1, 2003, a Third Supplemental Loan Agreement, dated as of September 1, 2004, a Fourth Supplemental Loan Agreement, dated as of July 1, 2005, a Fifth Supplemental Loan Agreement, dated as of August 1, 2007, and a Sixth Fifth Supplemental Loan Agreement, dated as of December 1, 2014. (The Master Tax Allocation Agreement, as supplemented and amended, is referred to herein as the "TA Loan Agreement.") The TA Loan Agreement provides for the pledge and use of property tax revenues allocated to the Successor Agency's Redevelopment Property Tax Trust Fund, *i.e.*, formerly called tax increment ("TI"), for the repayment of loans under the TA Loan Agreement, so that such repayment amounts are used by the Bond Trustee to pay debt service on the Authority bonds outstanding under the Trust Agreement.

7th Supplemental TOT Loan Agreement (Attachment 6)

Also attached is the form of a Seventh Supplemental Loan Agreement to the Master Transient Occupancy Tax Loan Agreement. The Master Transient Occupancy Tax was originally executed in 1995. It has been supplemented and amended by a First Supplemental Loan Agreement, dated

as of March 1, 1999, a Second Supplemental Loan Agreement, dated as of April 1, 2003, a Third Supplemental Loan Agreement, dated as of September 1, 2004, a Fourth Supplemental Loan Agreement, dated as of July 1, 2005, a Fifth Supplemental Loan Agreement, dated as of August 1, 2007, and a Sixth Fifth Supplemental Loan Agreement, dated as of December 1, 2014. (The Master Transient Occupancy Tax Agreement, as supplemented and amended, is referred to herein as the "TOT Loan Agreement.") The TOT Loan Agreement sets forth the pledge of TOT revenues. Together, the TOT Loan Agreement and the TA Loan Agreement provide for the use of TOT revenues to repay the loans under these loan agreements, in the event that TI is insufficient in any year.

FINANCIAL AND/OR POLICY IMPLICATIONS:

The purpose of refunding the callable bonds is to take advantage of lower interest rates in the current bond market to reduce debt service payments. As noted previously, with a reduction in property values, a lower debt service payment will benefit the taxpayers and the local taxing entities. When Property Tax Increment revenues exceed the amount needed for Enforceable Obligations, the excess is distributed to taxing entities. Given the low current level of interest rates, and the expectation of increasing rates, this appears to be the appropriate time to capture the benefit of this refunding. The 2005 Bonds are callable at any time after October 1, 2015. Estimated refunding savings are summarized below.

Refunded Series	2005A
Refunded Principal	\$ 30,110,000
Net Present Value Savings	1,959,234
<i>As % of Refunded Bonds</i>	<i>6.51%</i>
Gross Cash Flow Savings	2,821,825
Average Annual Savings	141,091

SIGNATURES:

By:



Mark Carlson, Administrative Services Director for STRSA


Thomas Watson, Attorney for STRSA

Attachments:

1. Resolution
2. Map of Project Area No. 1
3. Financial Advisor's Analysis
4. 7th Supplemental Trust Agreement
5. 7th Supplemental Master Tax Allocation Loan Agreement
6. 7th Supplemental Master Transient Occupancy Tax Loan Agreement

Attachment 1

Resolution

RESOLUTION NO. _____

**RESOLUTION OF THE OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE SOUTH TAHOE
REDEVELOPMENT AGENCY APPROVING THE
SUCCESSOR AGENCY'S ISSUANCE OF TAX ALLOCATION
NOTES AND TRANSIENT OCCUPANCY TAX NOTES TO
REFUND OUTSTANDING INDEBTEDNESS OF THE
SUCCESSOR AGENCY AND TAKING RELATED ACTIONS**

WHEREAS, the South Tahoe Redevelopment Agency (the "Former Agency") was a duly constituted redevelopment agency pursuant to provisions of the Community Redevelopment Law (the "Redevelopment Law") set forth in Section 33000 et seq. of the Health and Safety Code ("HSC") of the State of California (the "State"); and

WHEREAS, the Former Agency undertook a program to redevelop a project area known as the South Tahoe Redevelopment Project No. 1 (the "Project Area"); and

WHEREAS, pursuant to AB X1 26 (enacted in June 2011) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the Former Agency was dissolved as of February 1, 2012; the Successor Agency to the South Tahoe Redevelopment Agency (the "Successor Agency"), as the successor to the Former Agency, was constituted; and an Oversight Board to the Successor Agency (the "Oversight Board") was established; and

WHEREAS, the City of South Lake Tahoe (the "City") and the Former Agency executed and delivered a joint exercise of powers agreement, dated January 3, 1989 (the "Joint Powers Agreement"), by and between the City and the Former Agency, which Joint Powers Agreement created and established the South Tahoe Joint Powers Financing Authority (the "Authority"); and

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Local Bond Pooling Act") and the Joint Powers Agreement, the Authority is authorized to issue bonds from time to time for the financing and refinancing costs of certain public capital improvements; and

WHEREAS, to assist with the financing and refinancing of redevelopment projects benefiting the Project Area, the Authority has previously issued bonds, including the following currently outstanding bonds (the "Authority Bonds"):

(i) Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No. 1) 2005 Series A (the "Authority 2005A Bonds"),

(ii) Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No. 1) 2007 Series A; and

(iii) Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No. 1) 2014 Series A (the "Authority 2014A Bonds"); and

WHEREAS, the Authority Bonds were issued pursuant to the Trust Agreement, dated as of November 1, 1995 (the "Master Trust Agreement"), as supplemented and amended by the six supplemental trust agreements, each by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee") (the Master Trust Agreement, as supplemented and amended, being referred to herein as the "Trust Agreement"); and

WHEREAS, the Authority 2014A Bonds were issued in connection with the refunding of prior bonds issued under the Trust Agreement and the corresponding refunding of prior loans incurred under the Loan Agreements (defined below); and

WHEREAS, in order to secure the repayment of the Authority Bonds, the Former Agency and, after the Former Agency's dissolution, the Successor Agency in connection with Authority 2014A Bonds, did the following:

(i) incurred loans (the "TA Loans") and pledged tax increment revenues derived from the Project Area pursuant to the Master Tax Allocation Loan Agreement, dated as of November 1, 1995 (the "Master TA Loan Agreement"), as supplemented and amended by six supplemental loan agreements (the Master TA Loan Agreement, as supplemented and amended, being referred to herein as the "TA Loan Agreement"), and

(ii) incurred loans (the "TOT Loans") and pledged certain transient occupancy tax revenues levied within the Project Area pursuant to the Master Transient Occupancy Tax Loan Agreement (the "Master TOT Loan Agreement"), dated as of November 1, 1995, as supplemented and amended by six supplemental loan agreements (the Master TOT Loan Agreement, as supplemented and amended, being referred to herein as the "TOT Loan Agreement"; and collectively, the TA Loan Agreement and the TOT Loan Agreement, being referred to herein as the "Loan Agreements"); and

WHEREAS, the TA Loans are evidenced by tax allocation notes (the "TA Notes") issued by the Former Agency (except for the TOT Note relating to the Authority 2014A Bonds, which was issued by the Successor Agency) pursuant to the TA Loan Agreement; and

WHEREAS, the TOT Loans are evidenced by transient occupancy tax notes (the "TOT Notes") issued by the Former Agency (except for the TOT Note relating to the Authority 2014A Bonds, which was issued by the Successor Agency) pursuant to the TOT Loan Agreement; and

WHEREAS, pursuant to HSC Section 34177.5(a), the Successor Agency is authorized to incur debt (the "Refunding Debt") to refund outstanding debt (the "Refunded Debt"), to provide savings to the Successor Agency, provided that:

(i) the total interest cost to maturity on the Refunding Debt plus the principal amount of the Refunding Debt shall not exceed the total remaining interest cost to maturity on the Refunded Debt, plus the remaining principal of the Refunded Debt to be refunded, and

(ii) the principal amount of the Refunding Debt shall not exceed the amount required to defease the Refunded Debt, to establish customary debt service reserves and pay related costs of issuance; and

WHEREAS, the Successor Agency desires to refund the outstanding TA Note and TOT Note relating to the Authority 2005 Bonds (such refunding transaction being referred to herein as the "Refunding"); and

WHEREAS, in conjunction with the Refunding, the Authority will issue refunding bonds (the "Authority Refunding Bonds") under the Trust Agreement, as supplemented and amended by a supplement to the Trust Agreement (the "Supplemental Trust Agreement"); and

WHEREAS, proceeds from the sale of the Authority Refunding Bonds will be used to: (i) provide funds for the defeasance of all or a portion of the remaining outstanding Authority 2005A Bonds and the concurrent defeasance of the corresponding TA Note and TOT Note, and (ii) pay related costs of issuance; and

WHEREAS, as part of the Refunding, the Successor Agency will issue: (i) one or more additional notes (the "Refunding TA Notes") under the TA Loan Agreement, as supplemented and amended by a supplement to the TA Loan Agreement (the "Supplemental TA Loan Agreement"), and (ii) one or more additional notes (the "Refunding TOT Notes") under the TOT Loan Agreement, as supplemented and amended by a supplement to the TOT Loan Agreement (the "Supplemental TOT Loan Agreement"); and

WHEREAS, the Refunding TA Notes will be issued pursuant to, and will be secured by a pledge of property tax revenues as provided in, the TA Loan Agreement, as supplemented and amended by the Supplemental TA Loan Agreement; and

WHEREAS, the Refunding TOT Notes will be issued pursuant to, and will be secured by a pledge of transient occupancy tax revenues as provided in, the TOT Loan Agreement, as supplemented and amended by the Supplemental TOT Loan Agreement; and

WHEREAS, the Refunding TA Notes and the Refunding TOT Notes will be issued under the authority of HSC Section 34177.5 and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Refunding Bond Law"); and

WHEREAS, the Board of Directors of the Successor Agency, has adopted its Resolution No. 2015-3 on May 5, 2015 (the "Successor Agency Resolution"), and thereby: (i) approved the Successor Agency's issuance of the Refunding TA Notes and Refunding TOT Notes, each in an aggregate principal amount not exceeding \$35,000,000; and (ii) authorized the Successor Agency's execution and delivery of the Supplemental TA Loan Agreement and the Supplemental TOT Loan Agreement, each substantially in the form attached to the Successor Agency Resolution; and

WHEREAS, the Oversight Board has received a copy of the Successor Agency Resolution; and

WHEREAS, there has been presented to the Oversight Board an analysis of the potential debt service savings that will accrue as a result of issuance of the Refunding; and

WHEREAS, pursuant to HSC Sections 34177.5(f) and 34180, the issuance of the Refunding TA Notes and the issuance of the Refunding TOT Notes are subject to the Oversight Board's prior approval; and

WHEREAS, the Oversight Board desires to adopt this Resolution to approve the issuance of the Refunding TA Notes and the Refunding TOT Notes;

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

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves the Successor Agency Resolution, and the issuance of the Refunding TA Notes and the Refunding TOT Notes, each in the aggregate principal amount not exceeding \$35,000,000, pursuant to the provisions of HSC Section 34177.5. The Oversight Board hereby approves the pledge of the property tax revenues to secure the Refunding TA Notes pursuant to the terms of the TA Loan Agreement, as supplemented by the Supplemental TA

Loan Agreement. The Oversight Board hereby approves the pledge of the transient occupancy tax revenues to secure the Refunding TOT Notes pursuant to the terms of the TOT Loan Agreement, as supplemented by the Supplemental TOT Loan Agreement.

Section 3. The Oversight Board approves the Successor Agency's execution and delivery of the Supplemental TA Loan Agreement and the Supplemental TOT Loan Agreement, in connection with the Refunding.

Section 4. The members of this Oversight Board and the officers and other staff members of the Successor Agency are hereby authorized, jointly and severally, to do all things, including but not limited to the execution and delivery of any escrow agreement, or other ancillary agreements or instruments in furtherance of the Refunding, which they may deem necessary or proper to effectuate the purposes of this Resolution.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency of the South Tahoe Redevelopment Agency at a duly noticed meeting held on May 15, 2015, by the following vote:

AYES: Board members _____

NOES: Board members _____

ABSTAIN: Board members _____

ABSENT: Board members _____

ATTEST:

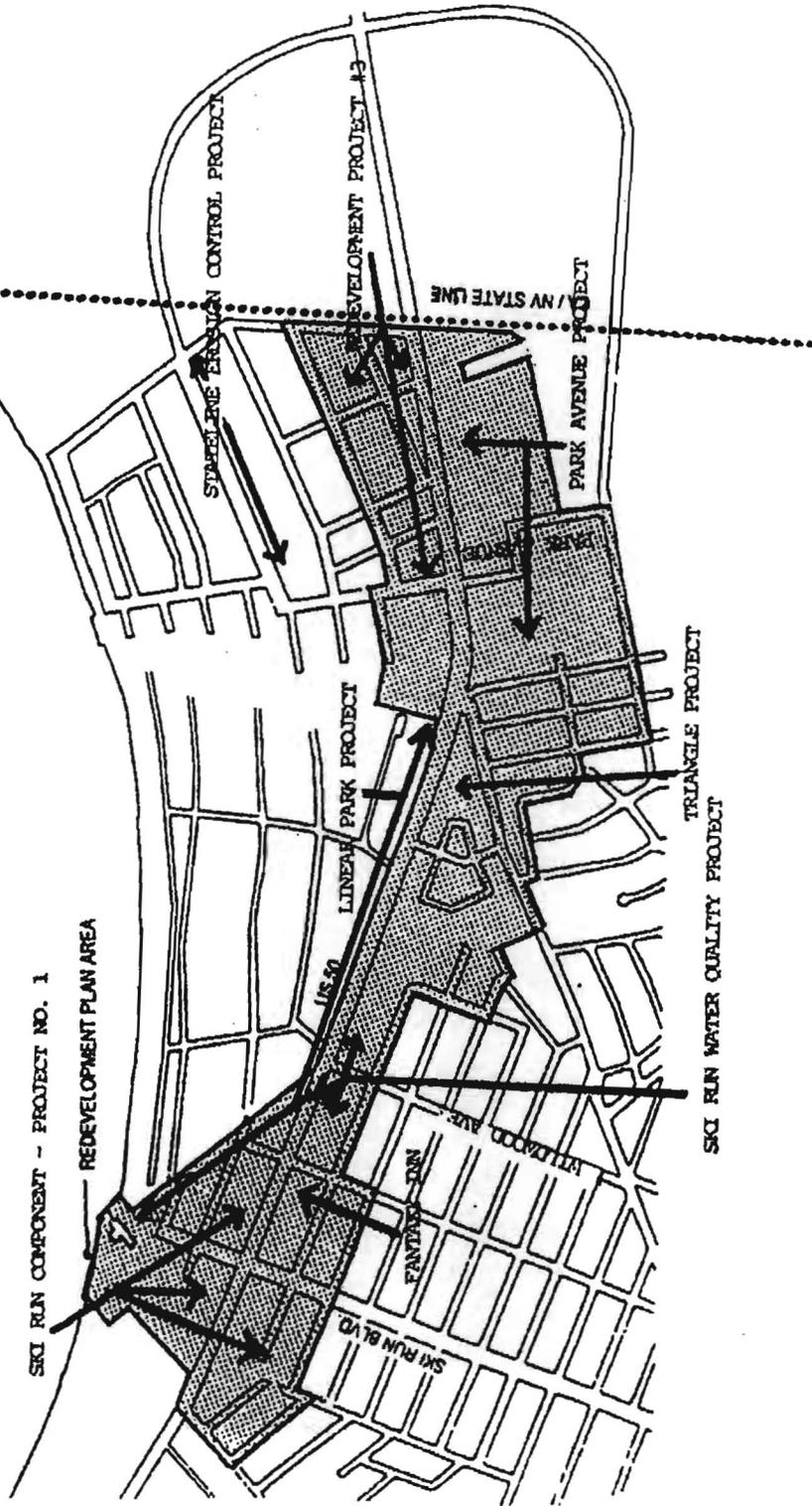
Secretary

Chair

Attachment 2

Map of Project Area No. 1

REDEVELOPMENT PLAN AREA



Attachment 3

Financial Advisor's Analysis



The PFM Group

Public Financial Management, Inc.
PFM Asset Management LLC
PFM Advisors

**City of South Lake Tahoe, California
Successor Agency to the South Tahoe
Redevelopment Agency**

South Tahoe Joint Powers Financing Authority
Refunding Revenue Bonds
(South Tahoe Redevelopment Project Area No. 1)
2015 Series A

Estimated Debt Service Savings
as of May 8, 2015



Summary of Bonds Refunded

Component	Maturity	Par Amount
Serial Bond	10/1/2015	\$1,195,000
Serial Bond	10/1/2016	1,255,000
Serial Bond	10/1/2017	1,310,000
Serial Bond	10/1/2018	1,380,000
Serial Bond	10/1/2019	1,445,000
Serial Bond	10/1/2020	1,515,000
2028 Term Bond	10/1/2021	1,290,000
2028 Term Bond	10/1/2022	1,355,000
2028 Term Bond	10/1/2023	1,420,000
2028 Term Bond	10/1/2024	1,495,000
2028 Term Bond	10/1/2025	1,570,000
2028 Term Bond	10/1/2026	1,645,000
2028 Term Bond	10/1/2027	1,725,000
2028 Term Bond	10/1/2028	1,815,000
2035 Term Bond	10/1/2021	310,000
2035 Term Bond	10/1/2022	320,000
2035 Term Bond	10/1/2023	335,000
2035 Term Bond	10/1/2024	355,000
2035 Term Bond	10/1/2025	370,000
2035 Term Bond	10/1/2026	390,000
2035 Term Bond	10/1/2027	410,000
2035 Term Bond	10/1/2028	425,000
2035 Term Bond	10/1/2029	335,000
2035 Term Bond	10/1/2030	355,000
2035 Term Bond	10/1/2031	375,000
2035 Term Bond	10/1/2032	390,000
2035 Term Bond	10/1/2033	415,000
2035 Term Bond	10/1/2034	435,000
2035 Term Bond	10/1/2035	4,475,000
Total		\$30,110,000



Estimated Annual Savings

Bond Year	Savings
10/1/2016	\$139,875
10/1/2017	144,100
10/1/2018	142,225
10/1/2019	139,775
10/1/2020	142,400
10/1/2021	140,450
10/1/2022	139,750
10/1/2023	141,250
10/1/2024	142,500
10/1/2025	143,500
10/1/2026	139,250
10/1/2027	140,000
10/1/2028	140,500
10/1/2029	140,750
10/1/2030	140,750
10/1/2031	140,500
10/1/2032	140,000
10/1/2033	139,250
10/1/2034	143,250
10/1/2035	141,750
10/1/2036	139,875
Total	\$2,821,825



Estimated Sources and Uses of Funds

Sources:

Principal Amount	\$ 27,410,000.00
Premium	2,526,540.50
10/1/15 Payment Contribution	1,947,750.00
Total Sources	\$31,884,290.50

Uses:

Refunding Escrow Deposits	30,862,750.00
Delivery Date Expenses	
Cost of Issuance	201,357.70
Underwriter's Discount	164,460.00
Bond Insurance	655,722.80
	<u>1,017,519.53</u>
Total Uses	\$31,884,290.50

Attachment

Preliminary Refunding Analysis

SOURCES AND USES OF FUNDS

City of South Lake Tahoe
 2015 Tax Allocation Refunding Bonds

Sources:

Bond Proceeds:	
Par Amount	27,410,000.00
Premium	2,526,540.50
	<u>29,936,540.50</u>

Other Sources of Funds:	
10/1/15 Payment	1,947,750.00

31,884,290.50

Uses:

Refunding Escrow Deposits:	
SLGS Purchases	30,862,750.00

Delivery Date Expenses:	
Cost of Issuance	200,000.00
Underwriter's Discount	164,460.00
Bond Insurance (1.6% of DS)	655,722.80
	<u>1,020,182.80</u>

Other Uses of Funds:	
Additional Proceeds	1,357.70

31,884,290.50

SUMMARY OF REFUNDING RESULTS

City of South Lake Tahoe
 2015 Tax Allocation Refunding Bonds

Dated Date	09/01/2015
Delivery Date	09/01/2015
Arbitrage yield	3.749933%
Escrow yield	0.000000%
Value of Negative Arbitrage	95,403.61
Bond Par Amount	27,410,000.00
True Interest Cost	3.749980%
Net Interest Cost	4.010384%
Average Coupon	4.855375%
Average Life	10.198
Par amount of refunded bonds	30,110,000.00
Average coupon of refunded bonds	5.000000%
Average life of refunded bonds	9.973
PV of prior debt to 09/01/2015 @ 3.749933%	33,671,795.68
Net PV Savings	1,959,233.69
Percentage savings of refunded bonds	6.506920%
Percentage savings of refunding bonds	7.147879%

SAVINGS

City of South Lake Tahoe
2015 Tax Allocation Refunding Bonds

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 09/01/2015 @ 3.7499332%
10/01/2015	1,947,750.00	1,947,750.00				
10/01/2016	2,700,750.00		2,700,750.00	2,560,875.00	139,875.00	134,469.64
10/01/2017	2,693,000.00		2,693,000.00	2,548,900.00	144,100.00	134,921.32
10/01/2018	2,697,500.00		2,697,500.00	2,555,275.00	142,225.00	128,062.14
10/01/2019	2,693,500.00		2,693,500.00	2,553,725.00	139,775.00	121,065.39
10/01/2020	2,691,250.00		2,691,250.00	2,548,850.00	142,400.00	118,649.67
10/01/2021	2,700,500.00		2,700,500.00	2,560,050.00	140,450.00	112,640.17
10/01/2022	2,695,500.00		2,695,500.00	2,555,750.00	139,750.00	107,917.00
10/01/2023	2,691,750.00		2,691,750.00	2,550,500.00	141,250.00	105,067.80
10/01/2024	2,699,000.00		2,699,000.00	2,556,500.00	142,500.00	102,102.81
10/01/2025	2,696,500.00		2,696,500.00	2,553,000.00	143,500.00	99,040.85
10/01/2026	2,694,500.00		2,694,500.00	2,555,250.00	139,250.00	92,586.86
10/01/2027	2,692,750.00		2,692,750.00	2,552,750.00	140,000.00	89,663.48
10/01/2028	2,691,000.00		2,691,000.00	2,550,500.00	140,500.00	86,674.99
10/01/2029	674,000.00		674,000.00	533,250.00	140,750.00	83,635.67
10/01/2030	677,250.00		677,250.00	536,500.00	140,750.00	80,558.68
10/01/2031	679,500.00		679,500.00	539,000.00	140,500.00	77,456.05
10/01/2032	675,750.00		675,750.00	535,750.00	140,000.00	74,338.81
10/01/2033	681,250.00		681,250.00	542,000.00	139,250.00	71,217.03
10/01/2034	680,500.00		680,500.00	537,250.00	143,250.00	70,560.60
10/01/2035	4,698,750.00		4,698,750.00	4,557,000.00	141,750.00	67,247.04
	45,752,250.00	1,947,750.00	43,804,500.00	40,982,675.00	2,821,825.00	1,957,875.99

Savings Summary

PV of savings from cash flow	1,957,875.99
Plus: Refunding funds on hand	1,357.70
Net PV Savings	1,959,233.69

SUMMARY OF BONDS REFUNDED

City of South Lake Tahoe
2015 Tax Allocation Refunding Bonds

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Series 2005A Refunding Bonds, 2005A:					
SERIAL	10/01/2015	5.000%	1,195,000.00		
	10/01/2016	5.000%	1,255,000.00	10/01/2015	100.000
	10/01/2017	5.000%	1,310,000.00	10/01/2015	100.000
	10/01/2018	5.000%	1,380,000.00	10/01/2015	100.000
	10/01/2019	5.000%	1,445,000.00	10/01/2015	100.000
TERM2028	10/01/2020	5.000%	1,515,000.00	10/01/2015	100.000
	10/01/2021	5.000%	1,290,000.00	10/01/2015	100.000
	10/01/2022	5.000%	1,355,000.00	10/01/2015	100.000
	10/01/2023	5.000%	1,420,000.00	10/01/2015	100.000
	10/01/2024	5.000%	1,495,000.00	10/01/2015	100.000
	10/01/2025	5.000%	1,570,000.00	10/01/2015	100.000
	10/01/2026	5.000%	1,645,000.00	10/01/2015	100.000
	10/01/2027	5.000%	1,725,000.00	10/01/2015	100.000
	10/01/2028	5.000%	1,815,000.00	10/01/2015	100.000
	TERM2035	10/01/2021	5.000%	310,000.00	10/01/2015
10/01/2022		5.000%	320,000.00	10/01/2015	100.000
10/01/2023		5.000%	335,000.00	10/01/2015	100.000
10/01/2024		5.000%	355,000.00	10/01/2015	100.000
10/01/2025		5.000%	370,000.00	10/01/2015	100.000
10/01/2026		5.000%	390,000.00	10/01/2015	100.000
10/01/2027		5.000%	410,000.00	10/01/2015	100.000
10/01/2028		5.000%	425,000.00	10/01/2015	100.000
10/01/2029		5.000%	335,000.00	10/01/2015	100.000
10/01/2030		5.000%	355,000.00	10/01/2015	100.000
10/01/2031		5.000%	375,000.00	10/01/2015	100.000
10/01/2032		5.000%	390,000.00	10/01/2015	100.000
10/01/2033		5.000%	415,000.00	10/01/2015	100.000
10/01/2034	5.000%	435,000.00	10/01/2015	100.000	
10/01/2035	5.000%	4,475,000.00	10/01/2015	100.000	
			30,110,000.00		

BOND SUMMARY STATISTICS

City of South Lake Tahoe
2015 Tax Allocation Refunding Bonds

Dated Date	09/01/2015
Delivery Date	09/01/2015
Last Maturity	10/01/2035
Arbitrage Yield	3.749933%
True Interest Cost (TIC)	3.749980%
Net Interest Cost (NIC)	4.010384%
All-In TIC	4.122513%
Average Coupon	4.855375%
Average Life (years)	10.198
Duration of Issue (years)	8.036
Par Amount	27,410,000.00
Bond Proceeds	29,936,540.50
Total Interest	13,572,675.00
Net Interest	11,210,594.50
Total Debt Service	40,982,675.00
Maximum Annual Debt Service	4,557,000.00
Average Annual Debt Service	2,040,631.12
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	6.000000
Total Underwriter's Discount	6.000000
Bid Price	108.617587

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	27,410,000.00	109.218	4.855%	10.198	19,212.50
	27,410,000.00			10.198	19,212.50

	TIC	All-In TIC	Arbitrage Yield
Par Value	27,410,000.00	27,410,000.00	27,410,000.00
+ Accrued Interest			
+ Premium (Discount)	2,526,540.50	2,526,540.50	2,526,540.50
- Underwriter's Discount	-164,460.00	-164,460.00	
- Cost of Issuance Expense		-200,000.00	
- Other Amounts		-655,722.80	-655,722.80
Target Value	29,772,080.50	28,916,357.70	29,280,817.70
Target Date	09/01/2015	09/01/2015	09/01/2015
Yield	3.749980%	4.122513%	3.749933%

BOND PRICING
 City of South Lake Tahoe
 2015 Tax Allocation Refunding Bonds

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Bond Component:									
	10/01/2016	1,230,000	2.000%	1.250%	100.804				9,889.20
	10/01/2017	1,345,000	2.500%	1.560%	101.918				25,797.10
	10/01/2018	1,385,000	3.000%	2.040%	102.853				39,514.05
	10/01/2019	1,425,000	3.500%	2.320%	104.570				65,122.50
	10/01/2020	1,470,000	4.000%	2.500%	107.117				104,619.90
	10/01/2021	1,540,000	4.500%	2.720%	109.915				152,691.00
	10/01/2022	1,605,000	5.000%	2.900%	113.357				214,379.85
	10/01/2023	1,680,000	5.000%	3.060%	113.797				231,789.60
	10/01/2024	1,770,000	5.000%	3.250%	113.666				241,888.20
	10/01/2025	1,855,000	5.000%	3.350%	114.017				260,015.35
	10/01/2026	1,950,000	5.000%	3.470%	112.921 C	3.577%	10/01/2025	100.000	251,959.50
	10/01/2027	2,045,000	5.000%	3.600%	111.747 C	3.780%	10/01/2025	100.000	240,226.15
	10/01/2028	2,145,000	5.000%	3.720%	110.677 C	3.947%	10/01/2025	100.000	229,021.65
	10/01/2029	235,000	5.000%	3.800%	109.970 C	4.063%	10/01/2025	100.000	23,429.50
	10/01/2030	250,000	5.000%	3.870%	109.356 C	4.158%	10/01/2025	100.000	23,390.00
	10/01/2031	265,000	5.000%	3.930%	108.833 C	4.237%	10/01/2025	100.000	23,407.45
	10/01/2032	275,000	5.000%	3.990%	108.314 C	4.307%	10/01/2025	100.000	22,863.50
	10/01/2033	295,000	5.000%	4.030%	107.969 C	4.358%	10/01/2025	100.000	23,508.55
	10/01/2034	305,000	5.000%	4.070%	107.625 C	4.405%	10/01/2025	100.000	23,256.25
	10/01/2035	4,340,000	5.000%	4.100%	107.368 C	4.441%	10/01/2025	100.000	319,771.20
		27,410,000							2,526,540.50

Dated Date	09/01/2015	
Delivery Date	09/01/2015	
First Coupon	04/01/2016	
Par Amount	27,410,000.00	
Premium	2,526,540.50	
Production	29,936,540.50	109.217587%
Underwriter's Discount	-164,460.00	-0.600000%
Purchase Price	29,772,080.50	108.617587%
Accrued Interest		
Net Proceeds	29,772,080.50	

SPREAD TO MUNICIPAL GRADE YIELD

City of South Lake Tahoe
2015 Tax Allocation Refunding Bonds

Component	Maturity Date	Rate	Yield	Scale	Credit Spread	Additional Spread
Bond Component:						
	10/01/2016	2.000%	1.250%	0.200%	0.800%	0.250%
	10/01/2017	2.500%	1.560%	0.510%	0.800%	0.250%
	10/01/2018	3.000%	2.040%	0.840%	0.950%	0.250%
	10/01/2019	3.500%	2.320%	1.070%	1.000%	0.250%
	10/01/2020	4.000%	2.500%	1.250%	1.000%	0.250%
	10/01/2021	4.500%	2.720%	1.420%	1.050%	0.250%
	10/01/2022	5.000%	2.900%	1.600%	1.050%	0.250%
	10/01/2023	5.000%	3.060%	1.760%	1.050%	0.250%
	10/01/2024	5.000%	3.250%	1.900%	1.100%	0.250%
	10/01/2025	5.000%	3.350%	2.000%	1.100%	0.250%
	10/01/2026	5.000%	3.470%	2.120%	1.100%	0.250%
	10/01/2027	5.000%	3.600%	2.250%	1.100%	0.250%
	10/01/2028	5.000%	3.720%	2.370%	1.100%	0.250%
	10/01/2029	5.000%	3.800%	2.450%	1.100%	0.250%
	10/01/2030	5.000%	3.870%	2.520%	1.100%	0.250%
	10/01/2031	5.000%	3.930%	2.580%	1.100%	0.250%
	10/01/2032	5.000%	3.990%	2.640%	1.100%	0.250%
	10/01/2033	5.000%	4.030%	2.680%	1.100%	0.250%
	10/01/2034	5.000%	4.070%	2.720%	1.100%	0.250%
	10/01/2035	5.000%	4.100%	2.750%	1.100%	0.250%
	10/01/2036	5.000%	4.130%	2.780%	1.100%	0.250%
	10/01/2037	5.000%	4.160%	2.810%	1.100%	0.250%
	10/01/2038	5.000%	4.180%	2.830%	1.100%	0.250%
	10/01/2039	5.000%	4.190%	2.840%	1.100%	0.250%
	10/01/2040	5.000%	4.200%	2.850%	1.100%	0.250%
	10/01/2041	5.000%	4.210%	2.860%	1.100%	0.250%
	10/01/2042	5.000%	4.220%	2.870%	1.100%	0.250%
	10/01/2043	5.000%	4.230%	2.880%	1.100%	0.250%
	10/01/2044	5.000%	4.240%	2.890%	1.100%	0.250%
	10/01/2045	5.000%	4.250%	2.900%	1.100%	0.250%

AGGREGATE DEBT SERVICE

City of South Lake Tahoe
2015 Tax Allocation Refunding Bonds

Period Ending	2015 Tax Allocation Refunding Bonds	2007A Refunding Revenue Bonds	2014A Refunding Revenue Bonds	Aggregate Debt Service
10/01/2015		697,539.38	1,315,284.38	2,012,823.76
10/01/2016	2,560,875	1,168,578.76	1,746,268.76	5,475,722.52
10/01/2017	2,548,900	1,166,328.76	1,749,468.76	5,464,697.52
10/01/2018	2,555,275	1,166,128.76	1,751,268.76	5,472,672.52
10/01/2019	2,553,725	1,169,866.26	1,762,068.76	5,485,660.02
10/01/2020	2,548,850	1,168,106.26	1,761,468.76	5,478,425.02
10/01/2021	2,560,050	1,165,781.26	1,758,218.76	5,484,050.02
10/01/2022	2,555,750	1,167,881.26	1,763,468.76	5,487,100.02
10/01/2023	2,550,500	1,169,100.00	1,771,718.76	5,491,318.76
10/01/2024	2,556,500	1,169,250.00	1,762,718.76	5,488,468.76
10/01/2025	2,553,000	1,172,000.00	1,775,318.76	5,500,318.76
10/01/2026	2,555,250	1,168,750.00	1,774,668.76	5,498,668.76
10/01/2027	2,552,750	1,169,750.00	1,777,168.76	5,499,668.76
10/01/2028	2,550,500	1,174,750.00	1,782,593.76	5,507,843.76
10/01/2029	533,250	1,173,500.00	3,605,700.00	5,312,450.00
10/01/2030	536,500	1,171,250.00	3,610,700.00	5,318,450.00
10/01/2031	539,000	1,173,000.00	3,579,400.00	5,291,400.00
10/01/2032	535,750	1,173,500.00	3,582,200.00	5,291,450.00
10/01/2033	542,000	1,177,750.00	3,585,000.00	5,304,750.00
10/01/2034	537,250	1,175,500.00	3,707,600.00	5,420,350.00
10/01/2035	4,557,000	1,177,000.00		5,734,000.00
10/01/2036		5,882,000.00		5,882,000.00
10/01/2037		5,885,250.00		5,885,250.00
	40,982,675	35,882,560.70	45,922,303.26	122,787,538.96

Attachment 4

7th Supplemental Trust Agreement

Seventh Supplemental Trust Agreement

by and between

South Tahoe Joint Powers Financing Authority

and

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

Dated as of July 1, 2015

relating to

\$ _____

South Tahoe Joint Powers Financing Authority
Refunding Revenue Bonds
(South Tahoe Redevelopment Project Area No. 1)
2015 Series A

(Supplemental to the Trust Agreement, dated as of November 1, 1995)

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SEVENTH SUPPLEMENTAL TRUST AGREEMENT

This Seventh Supplemental Trust Agreement, dated as of July 1, 2015 (this "Seventh Supplemental Trust Agreement"), is entered into by and between the South Tahoe Joint Powers Financing Authority (the "Authority, a public body, corporate and politic, organized and existing by virtue of the laws of the State of California (the "Authority") and The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under the United States of America, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, this Seventh Supplemental Trust Agreement is supplemental to the Trust Agreement, dated as of November 1, 1995, as supplemented and amended by the First Supplemental Trust Agreement, dated as of March 1, 1999, the Second Supplemental Trust Agreement, dated as of April 1, 2003, the Third Supplemental Trust Agreement, dated as of September 1, 2004, the Fourth Supplemental Trust Agreement, dated as of July 1, 2005, the Fifth Supplemental Trust Agreement, dated August 1, 2007, and the Sixth Supplemental Trust Agreement, dated December 1, 2014 (collectively, and as the same is supplemented and amended hereby and may be supplemented and amended from time to time, the "Trust Agreement"), each by the Authority and the Trustee (as successor trustee); and

WHEREAS, pursuant to the Trust Agreement and the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, and all laws amendatory thereof and supplemental thereto) (the "Act"), the Authority previously issued multiple series of bonds including the Authority's Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No. 1) 2005 Series A (the "2005 Series A Bonds"); and

WHEREAS, the Trust Agreement provides that the Authority may issue additional bonds from time to time pursuant to refund bonds previously issued under the Trust Agreement; and

WHEREAS, in accordance with the Act and the Trust Agreement, the Authority has determined to issue its Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No. 1) 2015 Series A (the "2015 Series A Bonds"), in the aggregate principal amount of \$ _____, in order to refund [all][a portion] of the remaining outstanding 2005A Series A Bonds; and

WHEREAS, all conditions for the issuance of the 2015 Series A Bonds under the Trust Agreement (including, without limitation, all requirements contained in Article III of the Trust Agreement) have been satisfied; and

WHEREAS, the Authority has determined that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and the entering into of this Seventh Supplemental Trust Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Seventh Supplemental Trust Agreement;

NOW, THEREFORE, the parties hereto agree, as follows:

ARTICLE XXXIII
DEFINITIONS; TERMS OF 2015 SERIES A BONDS

SECTION 33.01 Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of the Trust Agreement and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined. The terms “Agency,” “Information Services,” and “Trustee” is hereby amended for all purposes of the Trust Agreement as set forth below. Other capitalized terms used herein and not defined herein shall have the meanings ascribed to such terms in Section 1.01 of the Trust Agreement, as previously amended.

“Seventh Supplemental Trust Agreement” means the Seventh Supplemental Trust Agreement, dated as of July 1, 2015, by and between the Authority and the Trustee, supplementing and amending the Trust Agreement.

2015 Bond Insurance Policy means the insurance policy issued by the 2015 Bond Insurer guaranteeing the scheduled payment of principal of and interest on the 2015 Series A Insured Bonds when due.

2015 Bond Insurer means _____, a New York insurance company, or any successor thereto or assignee thereof.

2015 Escrow Agreement means that certain Escrow Agreement, dated as of July 1, 2015, by and among the Authority, the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as escrow agent, providing for the refunding of the 2005 Series A Bonds.

2015 Escrow Fund means that the fund designated the “Escrow Fund” established pursuant to the 2015 Escrow Agreement.

2015 Series A Bonds means the South Tahoe Joint Powers Financing Authority Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No. 1) 2015 Series A, issued in accordance with the provisions hereof.

2015 Series A Continuing Disclosure Agreement means that certain Continuing Disclosure Certificate, dated _____, 2015, executed by the Successor Agency, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

2015 Series A Insured Bonds means the 2015 Series A Bonds maturing on October 1, 20__ through and including October 1, 20__.

2015 Series A 20__ Term Bonds means the 2015 Series A Term Bonds maturing on October 1, 20__.

SECTION 33.02 Authorization and Terms of 2015 Series A Bonds.

(a) The Authority hereby authorizes the issuance of a series of Bonds in the principal amount of _____ **Dollars (\$_____)** in accordance with the Act and pursuant to the Trust Agreement for the purpose of financing and refinancing a portion of the costs of the Project. Said Series of Bonds shall be known as the Authority's Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No. 1) 2015 Series A.

(b) The 2015 Series A Bonds shall be issued in fully registered form, in denominations of \$5,000 or any integral multiple thereof and shall be initially registered in the name of "Cede & Co.," as nominee of DTC, and shall be evidenced by one 2015 Series A Bond, maturing on each of the maturity dates as set forth below in this subsection, in a denomination corresponding to the total principal amount of the 2015 Series A Bonds to mature on such date. The Trustee shall assign a letter or number or a combination thereof to each 2015 Series A Bond to distinguish it from other 2015 Series A Bonds. Registered ownership of the 2015 Series A Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 33.07.

The 2015 Series A Bonds shall be dated the Closing Date, shall bear interest from their dated date at the following rates per annum and shall mature on October 1 in the following years and in the following amounts:

Maturity Date (October 1)	Principal Amount	Interest Rate	Maturity Date (October 1)	Principal Amount	Interest Rate
2016			2025		
2017			2026		
2018			2027		
2019			2028		
2020			2029		
2021			2030		
2022			2034		
2023			2035		
2024					

The 2015 Series A Bonds shall bear interest from the interest payment date next preceding the date of authentication thereof, unless such date of authentication is a day during the period from the sixteenth day of the month next preceding any interest payment date to such interest payment date, inclusive, in which event they shall bear interest from such interest payment date, or unless such date of authentication is on or before March 15, 2016 in which event they shall bear interest from the Closing Date; provided, however, that if at the time of authentication of any 2015 Series A Bond interest is then in default on the Outstanding 2015 Series A Bonds, such 2015 Series A Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on the Outstanding 2015 Series A Bonds. Payment of interest on the 2015 Series A Bonds due on or before the maturity or prior redemption thereof shall be made to the person whose name appears in the 2015 Series A Bonds registration books kept by the Trustee pursuant to Section 2.08 as the registered owner

thereof as of the close of business on the fifteenth day of the month immediately preceding an interest payment date, whether or not such day is a Business Day.

Interest on the 2015 Series A Bonds shall be payable on April 1, 2016 and semiannually thereafter on October 1 and April 1 of each year, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Subject to Section 33.07, interest, premium, if any, on and principal of the 2015 Series A Bonds shall be payable as follows: (i) interest on the 2015 Series A Bonds shall be paid to Holders thereof by check mailed on the applicable Interest Payment Date by first class mail, or upon the written request of any Holder of \$1,000,000 or more in aggregate principal amount of 2015 Series A Bonds as of the close of business on the fifteenth day of the calendar month immediately preceding such interest payment date who has provided the Trustee with wire transfer instructions, by wire transfer to an account within the United States on each payment date; and (ii) principal and premium, if any, on the 2015 Series A Bonds shall be payable when due upon presentation and surrender thereof at the Corporate Trust Office of the Trustee in lawful money of the United States of America.

The provisions of Sections 2.05, 2.06, 2.07, 2.08, 2.09 and 2.10 are hereby incorporated and made a part hereof, except substituting all instances of "1995 Series B Bonds" with "2015 Series A Bonds"; provided, however, that the application of such sections shall be subject to Section 33.07.

SECTION 33.03 Form of 2015 Series A Bonds. The 2015 Series A Bonds and the certificate of authentication and registration to be executed thereon shall be in substantially the form set forth as Exhibit A to this Seventh Supplemental Trust Agreement. The 2015 Series A Bond numbers, maturity dates and interest rates shall be inserted therein in conformity with Section 33.02.

SECTION 33.04 Issuance of 2015 Series A Bonds. On the Closing Date for the 2015 Series A Bonds, the Authority shall execute, and the Trustee shall authenticate and deliver the 2015 Series A Bonds, in an aggregate principal amount of \$_____ to the initial purchaser thereof.

SECTION 33.05 Application of Proceeds of 2015 Series A Bonds. The proceeds of the sale of the 2015 Series A Bonds in the amount of \$_____ (representing the aggregate principal amount of the 2015 Series A Bonds, [plus/less] a net original issue [premium/discount] of \$_____, less an underwriter's discount of \$_____, less the insurance premium of \$_____ wired by the underwriter of the 2015 Series A Bonds to the 2015 Bond Insurer at the Authority's request, and less \$_____ at the Authority's request to Ambac Assurance Corporation, in connection with consents for supplemental agreements related to 2015 Series A Bonds) shall be deposited with the Trustee and shall be held in trust and set aside by the Trustee as follows:

(a) The Trustee shall deposit in the 2015 Escrow Fund (established pursuant to the 2015 Escrow Agreement) \$_____ for the defeasance and redemption of [all][a portion] of the remaining outstanding 2005 Series A Bonds.

(b) The Trustee shall deposit in the 2015 Series A Costs of Issuance Fund, which is established pursuant to Section 33.06, \$_____ to pay for costs of issuing the 2015 Series A Bonds.

In addition, the Trustee shall release \$_____ from Reserve Account to the 2015 Escrow Fund (leaving a balance of \$_____ in the Reserve Account, which is equal to the Reserve Account Requirement upon issuance of the 2015A Bonds).

The Trustee may, in its discretion, establish a temporary fund or account in its books and records to facilitate such transfers.

SECTION 33.06 Establishment of 2015 Series A Costs of Issuance Fund. There is hereby established and maintained with the Trustee a fund designated as the “2015 Series A Costs of Issuance Fund.” Amounts in the 2015 Series A Costs of Issuance Fund shall be disbursed by the Trustee to pay for Costs of Issuance in connection with issuance of the 2015 Series A Bonds upon a Written Request of the Authority. Each such Written Request of the Authority shall be numbered sequentially and shall state the name of each payee and the purpose for each payment and shall further state that such costs have not previously been paid. Each Written Request of the Authority submitted by the Authority to the Trustee shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Any amounts remaining in the 2015 Series A Costs of Issuance Fund after 180 days after the date of issuance of the 2015 Series A Bonds shall be transferred to the Revenue Fund.

SECTION 33.07 Use of Depository. Notwithstanding any provision of the Trust Agreement, including this Seventh Supplemental Trust Agreement, to the contrary:

(a) The 2015 Series A Bonds shall be initially issued as provided in Section 29.02. Payment of the interest on any 2015 Series A Bond registered in the name of Cede & Co. shall be made on each interest payment date to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.

(b) Upon initial issuance of the 2015 Series A Bonds, the ownership of all such 2015 Series A Bonds shall be registered in the registration records maintained by the Trustee pursuant to Section 2.08 in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. The Trustee and the Authority may treat DTC (or its nominee) as the sole and exclusive owner of the 2015 Series A Bonds registered in its name for the purposes of payment of the principal of and interest on such 2015 Series A Bonds, giving any notice permitted or required to be given to Holders of 2015 Series A Bonds under the Trust Agreement, registering the transfer of Bonds, obtaining any consent or other action to be taken by Holders of the 2015 Series A Bonds and for all other purposes whatsoever; and neither the Trustee nor the Authority shall be affected by any notice to the contrary. Neither the Trustee nor the Authority shall have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the 2015 Series A Bonds under or through DTC or any Participant, or any other person which is not shown on the

registration records as being a Holder of 2015 Series A Bonds, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal of or interest on the 2015 Series A Bonds, (iii) any notice which is permitted or required to be given to Holders of 2015 Series A Bonds under the Trust Agreement, or (iv) any consent given or other action taken by DTC as a Holder of 2015 Series A Bonds. The Trustee shall pay all principal of and interest on the 2015 Series A Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the Authority's obligations with respect to the principal of and interest on the 2015 Series A Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the 2015 Series A Bonds will be transferable to such new nominee in accordance with subsection (f) of this Section.

(c) In the event that the Authority determines that it is in the best interests of the beneficial owners of the 2015 Series A Bonds that all beneficial owners be able to obtain bond certificates, the Trustee shall, upon the written instruction of the Authority, so notify DTC of the availability of bond certificates. In such event, the 2015 Series A Bonds will be transferable in accordance with subsection (f) of this Section. DTC may determine to discontinue providing its services with respect to the 2015 Series A Bonds at any time by giving written notice of such discontinuance to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the 2015 Series A Bonds will be transferable in accordance with subsection (f) of this Section. Whenever DTC requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the 2015 Series A Bonds then Outstanding. In such event, the 2015 Series A Bonds will be transferable to such securities depository in accordance with subsection (f) of this Section, and thereafter, all references in the Trust Agreement to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of the Trust Agreement to the contrary, so long as all 2015 Series A Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal of and interest on each such 2015 Series A Bond and all notices with respect to each such 2015 Series A Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) The Trustee is hereby authorized and requested to follow the procedures of DTC and, in connection with any successor nominee for DTC and any successor depository, enter into comparable arrangements, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions under the Trust Agreement.

(f) In the event that any transfer or exchange of 2015 Series A Bonds is authorized under subsection (b) or (c) of this Section, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the 2015 Series A Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the provisions of Sections 2.06 and 2.07 of the Trust

Agreement. In the event bond certificates are issued to Holders other than Cede & Co., its successor as nominee for DTC as holder of all the 2015 Series A Bonds, another securities depository as holder of all the 2015 Series A Bonds, or the nominee of such successor securities depository, the provisions of Section 2.06 and Section 2.07 of the Trust Agreement shall also apply to, among other things, the registration, exchange and transfer of the 2015 Series A Bonds and the method of payment of principal of and interest on the 2015 Series A Bonds.

SECTION 33.08 Establishment of 2015 Series A Rebate Fund. The Authority shall establish and maintain a fund to be held by the Trustee separate from any other fund established and maintained hereunder designated the 2015 Series A Rebate Fund. Subject to a tax certificate dated the date of and prepared in connection with the issuance of the 2015 Series A Bonds, as such tax certificate may be amended and supplemented from time to time (the “2015 Series A Tax Certificate”), moneys held in the 2015 Series A Rebate Fund are hereby pledged to secure payments to the United States of America required by the 2015 Series A Tax Certificate, and the Authority or the Holders shall have no rights in or claim to such moneys. The Authority specifically covenants that the Authority will comply with such 2015 Series A Tax Certificate and will pay or cause to be paid to the United States of America the Rebate Amount as such term is used in such 2015 Series A Tax Certificate at the times and in the amounts determined therein. All amounts deposited into or on deposit in the 2015 Series A Rebate Fund shall be governed by the provisions of this Section and the 2015 Series A Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Authority including supplying all necessary information in the manner provided in the 2015 Series A Tax Certificate and shall not be required to take any action thereunder in the absence of written directions by the Authority. The covenants of the Authority contained in Section 5.03 of the Trust Agreement are hereby made applicable to the 2015 Series A Bonds.

SECTION 33.09 Investments of Funds and Accounts. The Trustee shall invest moneys on deposit in the funds and accounts created hereunder from time to time in accordance with Section 4.04 of the Trust Agreement and a Written Request of the Authority. Investment earnings on such investments shall be deposited into the Revenue Fund.

ARTICLE XXXIV REDEMPTION OF 2015 SERIES A BONDS

SECTION 34.01 Optional Redemption of 2015 Series A Bonds. The 2015 Series A Bonds maturing on or before October 1, [2025] are not subject to optional redemption prior to their maturity. The 2015 Series A Bonds maturing on or after October 1, [2026] are subject to redemption prior to their maturity dates, upon notice as hereinafter provided, at the option of the Authority (acting independently or at the direction of the Successor Agency following the Successor Agency’s notice furnished to the Trustee at least 45 days (or such other shorter period of time as acceptable to the Trustee) before the proposed redemption date pursuant to the Loan Agreements) as a whole, or in part, on any date on or after October 1, [2025] (in such order as shall be specified by the Authority to the Trustee, or if not so specified, proportionately among maturities), from any lawfully available funds of the Authority, a redemption price equal to [100] percent of the principal amount of the 2015 Series A Bonds called for redemption, together with accrued interest to the date fixed for redemption[, without premium].

SECTION 34.02 Mandatory Sinking Account Redemption.

(a) The 2015 Series A Bonds maturing on October 1, 20__ shall also be subject to redemption prior to their stated maturity, in part, by lot, from mandatory sinking account payments required by and as specified in subsection (b) this Section 34.02, on any October 1 on and after October 1, 20___, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

(b) A subaccount is hereby established within the Principal Account created by Section 4.03(b) of the Trust Agreement to be designated the "2015 Series A 20__ Sinking Account." In accordance with Section 4.03 of the Trust Agreement, the Trustee shall transfer the designated amount of the following payments from the Principal Account to the 2015 Series A 20__ Sinking Account; provided, however, if a portion of the 2015 Series A 20__ Term Bonds have been optionally redeemed pursuant to Section 34.01, each future sinking account payment shall be reduced on a pro rata basis (as nearly as practicable) in integrals of multiples of \$5,000, so that the total amount of sinking account payments with respect to the 2015 Series A 20__ Term Bonds to be made subsequent to the optional redemption shall be reduced by an amount equal to the principal amount of 2015 Series A 20__ Term Bonds so redeemed, all as shall be designated pursuant to a written notice filed by the Authority:

<u>Sinking Account Payment Dates</u> (October 1)	<u>Sinking Account</u> <u>Payments</u>
---	---

20__*

* maturity

Moneys in the 2015 Series A 20__ Sinking Account shall be applied as provided in Section 4.03(b).

SECTION 34.03 Notice of Redemption.

(a) Notice of redemption shall be sent (by first class mail or such means as acceptable to the recipient thereof) by the Trustee, not less than 30 nor more than 60 days prior to the redemption date to (i) the respective Holders of the 2015 Series A Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, (ii) the Securities Depositories and (iii) one or more Information Services. Each notice of redemption shall state the date of such notice, the redemption price, if any, (including the name and appropriate address of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the 2015 Series A Bonds of such maturity, to be redeemed and, in the case of 2015 Series A Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said 2015 Series A Bonds the redemption price, if any, thereof and in the case of a

2015 Series A Bond to be redeemed in part only, the specified portion of the principal amount thereof to be redeemed, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such 2015 Series A Bonds be then surrendered at the address of the Trustee specified in the redemption notice. Failure to receive such notice shall not invalidate any of the proceedings taken in connection with such redemption.

(b) If notice of redemption has been duly given and money for the payment of the redemption price of the 2015 Series A Bonds called for redemption is held by the Trustee, then on the redemption date designated in such notice 2015 Series A Bonds so called for redemption shall become due and payable, and from and after the date so designated interest on such 2015 Series A Bonds shall cease to accrue, and the Holders of such 2015 Series A Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

(c) The Authority shall have the right to rescind any optional redemption by written notice of rescission. Any notice of optional redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the 2015 Series A Bonds then called for redemption. Neither such cancellation nor lack of available funds shall constitute an Event of Default under the Trust Agreement. The Authority and the Trustee shall have no liability to the Holders or any other party related to or arising from such rescission of redemption. The Trustee shall send notices of rescission of such redemption in the same manner as the original notices of redemption were sent.

SECTION 34.04 Selection of 2015 Series A Bonds for Redemption. If not otherwise specified by the Authority as provided in Section 34.02, whenever less than all the Outstanding 2015 Series A Bonds of a maturity are to be redeemed on any one date, the Trustee shall select the 2015 Series A Bonds to be redeemed from the Outstanding 2015 Series A Bonds of such maturity by lot or by such other method as the Authority shall specify.

SECTION 34.05 Partial Redemption of 2015 Series A Bonds. Upon surrender of any 2015 Series A Bond redeemed in part only, the Trustee shall authenticate and deliver to the Holder thereof a new 2015 Series A Bond or 2015 Series A Bonds representing the unredeemed principal amount of the 2015 Series A Bond so surrendered.

SECTION 34.06 Effect of Redemption. If notice of redemption has been duly given as provided in Section 34.03 and money for the payment of the redemption price of the 2015 Series A Bonds or portions thereof to be redeemed is held by the Trustee, then on the redemption date designated in such notice the 2015 Series A Bonds or portions thereof so called for redemption shall become payable at the redemption price as specified in such notice; and from and after the redemption date so designated, interest thereon or portions thereof so called for redemption shall cease to accrue, such 2015 Series A Bonds or portions thereof shall cease to be entitled to any benefit, protection or security hereunder and the Holders of such 2015 Series A Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price.

SECTION 34.07 Cancellation of Redeemed Bonds. All 2015 Series A Bonds redeemed pursuant to the provisions of this Article XXXIV shall be cancelled upon surrender thereof and destroyed.

ARTICLE XXXV
2015 BOND INSURANCE POLICY

SECTION 35.01 Payment under 2015 Bond Insurance Policy. So long as the 2015 Bond Insurance Policy remains in full force and effect, the Authority and the Trustee agree to comply with the following provisions:

- (a) [to come].

SECTION 35.02 Additional Rights of 2015 Bond Insurer; Additional Covenants. So long as the 2015 Bond Insurance Policy shall be in full force and effect and the 2015 Bond Insurer has not defaulted with respect to its payment obligations thereunder, the following provisions shall apply:

- (a) [to come].
- (b) .
- (c)
- (d)

SECTION 35.03 Suspension or Termination of Rights of 2015 Bond Insurer. All rights of the 2015 Bond Insurer to direct or consent to actions of the Authority, the Successor Agency, the Trustee or the Holders of 2015 Series A Bonds under the Trust Agreement or under the Loan Agreements shall be suspended during any period in which the 2015 Bond Insurer is in default with respect to its payment obligations under the 2015 Bond Insurance Policy (except to the extent of amounts previously paid by the 2015 Bond Insurer and due and owing to the 2015 Bond Insurer) and shall be of no force or effect in the event the 2015 Bond Insurance Policy is no longer in effect or the 2015 Bond Insurer asserts that the 2015 Bond Insurance Policy is not in effect.

ARTICLE XXXVI
CONTINUING DISCLOSURE; MISCELLANEOUS PROVISIONS

SECTION 36.01 Continuing Disclosure. Pursuant to Section 35.01 of the Tax Allocation Loan Agreement and Section 34.01 of the Transient Occupancy Tax Loan Agreement, the Successor Agency has undertaken the responsibility for compliance with continuing disclosure requirements, and the Authority shall have no liability to the Holders of the Bonds or any other person with respect to such disclosure matters. The Trustee hereby covenants and agrees that it will comply with and carry out all of the provisions applicable to the Trustee (to the extent that there are any) of the 2015 Series A Continuing Disclosure Agreement, Section 35.01 of the Tax Allocation Loan Agreement and Section 34.01 of the Transient Occupancy Tax Loan Agreement. Notwithstanding any other provision of the Trust Agreement, failure of the Successor Agency or the Trustee to comply with the 2015 Series A Continuing Disclosure Agreement shall not be considered an Event of Default under the Trust Agreement or the Loan Agreements; however, the Trustee may (and, at the request of any Participating Underwriter or the Holders of at least 25 percent of the aggregate principal amount of Outstanding Bonds, shall (but only to the extent indemnification to its satisfaction from any liability or expense, including reasonable fees of its attorneys)) or any Holder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency to comply with its continuing disclosure obligations referred to in the Loan Agreements or to cause the Trustee to comply with its obligations under this Section.

SECTION 36.02 Cancellation of Agency-held Bonds. Upon the surrender to the Trustee of any 2015 Series A Bond acquired by the Successor Agency (as contemplated in Section 34.01(b) of the Tax Allocation Loan Agreement or Section 33.01(b) of the Transient Occupancy Tax Loan Agreement), such 2015 Series A Bond shall be deemed paid and retired and the Trustee shall cancel and destroy such 2015 Series A Bond.

SECTION 36.03 References to Include Provisions in Seventh Supplemental Trust Agreement and Seventh Supplemental Loan Agreements. Unless the context clearly requires otherwise, references to Article II (or sections thereof) of the Trust Agreement in the third paragraph of Section 4.03(b) and in Section 4.05 shall be deemed to also include Article XXXIII (or applicable sections thereof) above. References to Section 2.03 of the Loan Agreements in Section 4.05 of the Trust Agreement shall be deemed to also include Section 34.01 of the Tax Allocation Loan Agreement and Section 33.01 of the Transient Occupancy Tax Loan Agreement. At any time the Trustee receives a Written Request of the Agency to apply moneys in a Sinking Account relating to the 2015 Series A Bonds to purchase term 2015 Series A Bonds, such Written Request shall have the same force and effect as if it was given by the Authority; provided, that the directions thereby given conform to the provisions of Section 4.03(b) of the Trust Agreement.

SECTION 36.04 Terms of 2015 Series A Bonds Subject to the Trust Agreement. Except as expressly provided in this Seventh Supplemental Trust Agreement, every term and condition contained in the Trust Agreement shall apply to this Seventh Supplemental Trust Agreement and to the 2015 Series A Bonds with the same force and effect as if the same were

herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Seventh Supplemental Trust Agreement.

This Seventh Supplemental Trust Agreement and all the terms and provisions herein contained shall form part of the Trust Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Trust Agreement. The Trust Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

SECTION 36.05 2015 Bond Insurer as Third Party Beneficiary. Notwithstanding any provision to the contrary in the Trust Agreement, so long as the 2015 Bond Insurance Policy remains in full force and effect and the 2015 Bond Insurer has not defaulted with respect to its payment obligations thereunder, the 2015 Bond Insurer shall be a third party beneficiary to the Trust Agreement.

SECTION 36.06 Trust Agreement to Remain in Effect. Except as expressly provided herein, the provisions of the Trust Agreement shall remain in full force and effect.

SECTION 36.07 Effective Date of Seventh Supplemental Trust Agreement. This Seventh Supplemental Trust Agreement shall take effect upon its execution and delivery.

SECTION 36.08 Execution in Counterparts. This Seventh Supplemental Trust Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Seventh Supplemental Trust Agreement by their officers thereunto duly authorized as of the day and year first written above.

**SOUTH TAHOE JOINT POWERS
FINANCING AUTHORITY**

By: _____
Executive Director

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

By: _____
Authorized Officer

EXHIBIT A

[FORM OF 2015 SERIES A BOND]

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

**SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY
REFUNDING REVENUE BONDS
(SOUTH TAHOE REDEVELOPMENT PROJECT AREA NO. 1)
2015 SERIES A**

No. R- _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP</u>
_____ %	October 1, 20__	_____, 2015	_____

Registered Owner: [CEDE & CO.]

Principal Sum:

The SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY, a joint exercise of powers authority, duly organized and validly existing under and pursuant to the laws of the State of California (the “Authority”), for value received, hereby promises to pay (but only out of the Revenues hereinafter referred to) to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter provided for) the principal sum specified above, together with interest on such principal sum from the interest payment date next preceding the date of authentication of this 2015 Series A Bond (unless this 2015 Series A Bond is authenticated as of a day during the period from the sixteenth day of the month next preceding any interest payment date to such interest payment date, inclusive, in which event it shall bear interest from such interest payment date, or unless this 2015 Series A Bond is registered on or before March 15, 2016, in which event it shall bear interest from the original issue date specified above) until the principal hereof shall have been paid at the interest rate per annum specified above (based on a 360-day year of twelve 30-day

months), payable on April 1, 2016, and semiannually thereafter on each October 1 and April 1. Subject to the provisions of the Trust Agreement (hereinafter defined), interest due on or before the maturity or prior redemption of this Bond shall be payable only by check mailed on the applicable Interest Payment Date by first class mail to the registered owner hereof; provided, however, upon the written request of any Holder of \$1,000,000 or more in aggregate amount of 2015 Series A Bonds as of the close of business on the fifteenth day of the calendar month immediately preceding such interest payment date who has provided the Trustee with wire transfer instructions, by wire transfer to an account within the United States on each payment date. The principal hereof is payable in lawful money of the United States of America at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Trustee") or such other place as may be designated by the Trustee.

This 2015 Series A Bond is one of a duly authorized issue of bonds of the Authority designated as its "Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No. 1) 2015 Series A" (the "2015 Series A Bonds") in aggregate principal amount of _____ **Dollars** (\$ _____), all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities and interest rates), and is issued under and pursuant to the provisions of the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereto (the "Act") and under and pursuant to the provisions of a Trust Agreement, dated as of November 1, 1995, by and between the Authority and First Interstate Bank of California, as prior trustee, as supplemented and amended, including the Seventh Supplemental Trust Agreement, dated as of July 1, 2015, by and between the Authority and the Trustee (collectively, the "Trust Agreement") (copies of which are on file at the corporate trust office of the Trustee in Los Angeles, California). The 2015 Series A Bonds are secured on a parity with the [portion of the Authority's Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No. 1) 2005 Series A which remain outstanding after the issuance of the 2015 Series A Bonds (the "2005 Series A Bonds")], the Authority's Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No. 1) 2007 Series A (the "2007 Series A Bonds") and the Authority's Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No. 1) 2014 Series A (the "2014 Series A Bonds"), and all other permitted additional bonds issued pursuant to the Trust Agreement. The [2005 Series A Bonds, the] 2007 Series A Bonds, the 2014 Series A Bonds and the 2015 Series A Bonds and all additional bonds issued pursuant to the Trust Agreement are referred to herein collectively as "the Bonds."

The 2015 Series A Bonds are issued to refund certain bonds previously issued by the Authority under the Trust Agreement. The Bonds are limited obligations of the Authority and are payable, as to interest thereon and principal thereof, solely from certain proceeds of the Bonds held in certain funds and accounts pursuant to the Trust Agreement and the revenues defined in the Trust Agreement (the "Revenues"), including certain payments to be made by the Successor Agency to the South Tahoe Redevelopment Agency (the "Successor Agency"), as the successor to the former South Tahoe Redevelopment Agency (the "Former Agency") pursuant to the Loan Agreements, consisting of a Tax Allocation Loan Agreement and Transient Occupancy Tax Loan Agreement. The Tax Allocation Loan Agreement means that certain Master Tax Allocation Loan Agreement, dated as of November 1, 1995, by and between the Former Agency and the Trustee, as supplemented and amended, including by the Seventh Supplemental Loan Agreement, dated as of July 1, 2015, by and between the Successor Agency and the Trustee.

The Transient Occupancy Tax Loan Agreement means that certain Master Transient Occupancy Tax Loan Agreement, dated as of November 1, 1995, by and between the Former Agency and the Trustee, as supplemented and amended, including the Seventh Supplemental Loan Agreement, dated as of July 1, 2015, by and between the Successor Agency and the Trustee.

Neither the full faith and credit nor the general funds of the Authority, the City of South Lake Tahoe (the "City") or the Successor Agency are pledged for the payment of the interest on or principal of the Bonds. No tax or other source of funds other than the Revenues hereinafter referred to is pledged to pay the interest on or principal of the Bonds. The payment of the principal of or interest on the Bonds does not constitute a debt, liability or obligation of the Authority, the City or the Successor Agency.

The Authority is not obligated to pay interest on and principal of the Bonds except from the Revenues. All Bonds are equally and ratably secured in accordance with the terms and conditions of the Trust Agreement by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest on and principal of the Bonds as provided in the Trust Agreement. The Bonds are not secured by a legal or equitable pledge of or charge or lien upon any property of the Authority or any of its income or receipts except the Revenues, and neither the payment of the interest on or principal of the Bonds is a debt, liability or general obligation of the Authority, the City or the Successor Agency. Additional bonds payable from the Revenues may be issued which will rank equally as to security with the Bonds, but only subject to the conditions and upon compliance with the procedures set forth in the Trust Agreement. Reference is hereby made to the Act and to the Trust Agreement and any and all amendments thereof and supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, the rights of the registered owners of the Bonds, security for payment of the Bonds, remedies upon default and limitations thereon, and amendment of the Trust Agreement (with or without consent of the registered owners of the Bonds); and all the terms of the Trust Agreement are hereby incorporated herein and constitute a contract between the Authority and the registered owner of this 2015 Series A Bond, to all the provisions of which the registered owner of this Bond, by acceptance hereof, agrees and consents.

The 2015 Series A Bonds maturing on or before October 1, [2025] are not subject to redemption prior to their maturity. The 2015 Series A Bonds maturing on or after October 1, [2026] are subject to redemption prior to their maturity dates, upon notice as hereinafter provided, at the option of the Authority (acting independently or at the direction of the Successor Agency following the Successor Agency's notice furnished to the Trustee before the proposed redemption date pursuant to the Loan Agreements) as a whole, or in part, on any date on or after October 1, [2025] (in such order as shall be specified by the Authority to the Trustee, or if not so specified, proportionately among maturities), from any lawfully available funds of the Authority, a redemption price equal to [100] percent of the principal amount of the 2015 Series A Bonds called for redemption, together with accrued interest to the date fixed for redemption[, without premium].

The 2015 Series A Bonds maturing on October 1, 20__, shall also be subject to redemption prior to their stated maturity, in part, by lot, from mandatory sinking account payments required by and as specified in the Seventh Supplemental Trust Agreement, on any

October 1 on and after October 1, 20__, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

Notice of redemption of this 2015 Series A Bond shall be given sent (by first class mail or such means as acceptable to the recipient thereof) not less than 30 days nor more than 60 days before the redemption date to the registered owner hereof, subject to and in accordance with provisions of the Trust Agreement with respect thereto. If notice of redemption has been duly given as aforesaid and money for the payment of the above-described redemption price is held by the Trustee, then this 2015 Series A Bond shall, on the redemption date designated in such notice, become due and payable at the above-described redemption price; and from and after the date so designated, interest on this 2015 Series A Bond shall cease to accrue and the registered owner of this 2015 Series A Bond shall have no rights with respect hereto except to receive payment of the redemption price hereof.

If an Event of Default, as defined in the Trust Agreement, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Trust Agreement; except that the Trust Agreement provides that in certain events such declaration and its consequences may be rescinded under the circumstances as provided therein.

This 2015 Series A Bond is transferable only on a register to be kept for that purpose at the above-mentioned office of the Trustee (or such other place as designated by the Trustee) by the registered owner hereof in person or by such registered owner's duly authorized attorney upon payment of the charges provided in the Trust Agreement and upon surrender of this 2015 Series A Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such registered owner's duly authorized attorney, and thereupon a new fully registered 2015 Series A Bond or 2015 Series A Bonds in the same aggregate principal amount in authorized denominations will be issued to the transferee in exchange therefor. The Authority and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the interest hereon and principal hereof and for all other purposes, whether or not this 2015 Series A Bond shall be overdue, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of this 2015 Series A Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on this 2015 Series A Bond to the extent of the sum or sums so paid.

This 2015 Series A Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually executed and dated by the Trustee.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this 2015 Series A Bond do exist, have happened and have been performed in due time, form and manner as required by law and that the amount of this 2015 Series A Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or laws of the State of California and is not in excess of the amount of 2015 Series A Bonds permitted to be issued under the Trust Agreement.

IN WITNESS WHEREOF, the SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY has caused this 2015 Series A Bond to be executed in its name and on its behalf by the facsimile signature of the Chairperson of the Authority and countersigned by the facsimile signature of the Secretary of the Authority, and has caused this 2015 Series A Bond to be dated as of the original issue date specified above.

**SOUTH TAHOE JOINT POWERS
FINANCING AUTHORITY**

By: _____
Chairperson

Attest:

Secretary

=====

STATEMENT OF INSURANCE

[to come].

=====

=====

[CERTIFICATE OF AUTHENTICATION]

This is one of the 2015 Series A Bonds described in the within-mentioned Trust Agreement which has been authenticated on _____, 20__.

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

By: _____
Authorized Signatory

=====

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto _____ the within 2015 Series A Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof; with full power of substitution in the premises.

Dated: _____

Bond: The signature to this Assignment must correspond with the name as written on the fact of the 2015 Series A Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed: _____

Notice: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

Attachment 5

7th Supplemental Master Tax Allocation Loan Agreement

Seventh Supplemental Loan Agreement

by and between

Successor Agency to the South Tahoe Redevelopment Agency

and

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

Dated as of July 1, 2015

Authorizing the issuance of

\$ _____

in Aggregate Principal Amount of
Successor Agency to the South Tahoe Redevelopment Agency
Redevelopment Project Area No. 1 Tax Allocation Note, 2015 Series A

(Supplemental to the Master Tax Allocation Loan Agreement, dated as of November 1, 1995)

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Exhibit A – Form of 2015 Series A TA Note

SEVENTH SUPPLEMENTAL LOAN AGREEMENT

(Supplemental to the Master Tax Allocation Loan Agreement dated as of November 1, 1995)

This Seventh Supplemental Loan Agreement, dated as of July 1, 2015 (this "Seventh Supplemental Loan Agreement"), is entered into by and between the Successor Agency to the South Tahoe Redevelopment Agency, a public body, corporate and politic, organized and existing by virtue of the laws of the State of California (the "Successor Agency"), as the successor to the South Tahoe Redevelopment Agency (the "Former Agency"), and The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under the United States of America, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, this Seventh Supplemental Loan Agreement is supplemental to the Master Tax Allocation Loan Agreement, dated as of November 1, 1995 (the "Master Loan Agreement"), by and between the Former Agency and First Interstate Bank of California, as the predecessor trustee, as amended and supplemented by the First Supplemental Loan Agreement, dated as of March 1, 1999, the Second Supplemental Loan Agreement, dated as of April 1, 2003, the Third Supplemental Loan Agreement, dated as of September 1, 2004, the Fourth Supplemental Loan Agreement, dated as of July 1, 2005, the Fifth Supplemental Loan Agreement, dated as of August 1, 2007, and the Sixth Supplemental Loan Agreement, dated as of December 1, 2014 (the "Sixth Supplemental Loan Agreement"); and

WHEREAS, the Former Agency was a redevelopment agency duly formed pursuant to the Community Redevelopment Law, set forth in Part 1 of Division 24 of the Health and Safety Code of the State of California ("HSC"); and

WHEREAS, the Former Agency undertook a program to redevelop a project area known as South Tahoe Redevelopment Project No. 1 (the "Project Area"); and

WHEREAS, pursuant to AB X1 26 (enacted in June 2011) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the Former Agency was dissolved as of February 1, 2012; the Successor Agency, as the successor to the Former Agency, was constituted; and an Oversight Board to the Successor Agency (the "Oversight Board") was established; and

WHEREAS, AB 1484 (enacted in June 2012) amended and supplemented the provisions of AB X1 26 (AB X1 26 and AB 1484, together, being referred to below as the "Dissolution Act"); and

WHEREAS, to finance and refinance costs of redevelopment projects for the Project Area, the Former Agency previously incurred multiple loans under the Master Loan Agreement, as amended and supplemented, each evidenced by tax allocation notes, including its Redevelopment Project Area No. 1 Tax Allocation Note, 2005 Series A (the "2005 Series A TA Note"); and

WHEREAS, the Successor Agency is authorized to incur indebtedness (the “Refunding Debt”) to refund outstanding indebtedness previously incurred by the Former Agency, subject to the conditions precedent set forth in HSC Section 34177.5; and

WHEREAS, such Refunding Debt would be incurred under the authority of HSC Section 34177.5 and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code; and

WHEREAS, pursuant to HSC Sections 34177.5 and 34180, the incurrence of the Refunding Debt is subject to the Oversight Board’s prior approval and, pursuant to HSC Section 34179(h), and all Oversight Board actions are subject to review by the California State Department of Finance (the “DOF”); and

WHEREAS, on May 15, 2015, the Oversight Board adopted Resolution No. _____ (the “2015 Oversight Board Resolution”), approving the incurrence of Refunding Debt to refund all or a portion of the remaining outstanding principal amount of the 2005 Series A TA Note; and

WHEREAS, the DOF has issued a letter dated _____ 2015, indicating the DOF’s approval of the 2015 Oversight Board Resolution; and

WHEREAS, the Successor Agency has determined to issue the Refunding Debt to refund [all][a portion] of the remaining outstanding principal amounts of the 2005 Series A TA Note; and

WHEREAS, the Refunding Debt will be in the form of a loan (the “2015 Series A TA Loan”) pursuant to the terms of the Master Loan Agreement, as previously amended and supplemented and as further amended and supplemented by this Seventh Supplemental Loan Agreement (as so amended and supplemented, the “Loan Agreement”); and

WHEREAS, the repayment of the 2015 Series A TA Loan will be secured by a pledge and lien established under the Loan Agreement on a parity with other loans incurred and outstanding under the Loan Agreement; and

WHEREAS, the 2015 Series A TA Loan will be evidenced by the a note be issued by the Successor Agency hereunder designated as its Redevelopment Project Area No. 1 Tax Allocation Note, 2015 Series A; and

WHEREAS, the Successor Agency has obtained the written consent of the Ambac Assurance Corporation, in its capacity as the 2007 Bond Insurer (as previously defined in the Loan Agreement), in accordance with Section 31.04 set forth in the Sixth Supplemental Loan Agreement; and

WHEREAS, the Successor Agency has determined that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and the entering into of this Seventh Supplemental Loan Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Seventh Supplemental Loan Agreement;

NOW, THEREFORE, the parties hereto agree, as follows:

**ARTICLE XXXII
DEFINITIONS; INTERPRETATION**

SECTION 32.01 Definitions; Amended Definitions. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in Section 1.01 of the Loan Agreement, as previously amended. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of the Loan Agreement and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

Closing Date means, with respect to the 2015 Series A TA Loan and the 2015 Series A TA Notes, _____, 2015.

2015 Authority Bonds means the Authority's Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No. 1) 2015 Series A issued pursuant to the Trust Agreement.

2015 Authority Insured Bonds means those 2015 Authority Bonds designated as the "2015 Series A Insured Bonds" in the Trust Agreement.

2015 Bond Insurance Policy has the meaning ascribed to it in the Trust Agreement.

2015 Bond Insurer has the meaning ascribed to it in the Trust Agreement.

2015 Escrow Agreement has the meaning ascribed to it in the Trust Agreement.

2015 Escrow Fund has the meaning ascribed to it in the Trust Agreement.

2015 Oversight Board Resolution means Resolution No. _____, adopted on _____, 2015, by the Oversight Board, approving the incurrence of the 2015 Series A TA Loan and the issuance of the 2015 Series A TA Note and taking other actions.

2015 Series A Continuing Disclosure Agreement has the meaning ascribed to it in the Trust Agreement.

2015 Series A TA Loan means the Successor Agency's South Tahoe Redevelopment Project Area No. 1 Tax Allocation Loan, 2015 Series A, as described in Article XXXIII.

2015 Series A TA Note means the Successor Agency's Redevelopment Project Area No. 1 Tax Allocation Note, 2015 Series A, issued to evidence the 2015 Series A TA Loan pursuant to Article XXXIII.

2015 Series A Continuing Disclosure Agreement has the meaning ascribed to it in the Trust Agreement.

2015 Successor Agency Resolution means Resolution No. _____, adopted on _____, 2015, by the Board of Directors of the Successor Agency, approving the incurrence of

the 2015 Series A TA Loan and the issuance of the 2015 Series A TA Note and taking other actions.

SECTION 32.02 Interpretation.

(a) Unless the context otherwise indicates, defined terms shall include all variants thereof, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) Unless otherwise indicated, references herein to Articles and Sections shall be to the Articles and Sections of the Loan Agreement. The words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Seventh Supplemental Loan Agreement as a whole and not to any particular Article, Section or subdivision hereof.

**ARTICLE XXXIII
TERMS OF 2015 SERIES A TA LOAN**

SECTION 33.01 Authorization and Terms of 2015 Series A TA Loan.

(a) The Successor Agency hereby authorizes the incurrence of a TA Loan (the "2015 Series A TA Loan") and the issuance of a TA Note (the "2015 Series A TA Note") in the principal amount of _____ **Dollars (\$_____)** in accordance with the Law and pursuant to the Loan Agreement. The 2015 Series A TA Loan is hereby incurred by the Successor Agency to refund the remaining outstanding principal amount of the 2005 Series A TA Note. Such refunding shall be accomplished through the deposit by the Authority of the proceeds of the 2015 Authority Bonds in the 2015 Escrow Fund. The 2015 Series A TA Loan is designated as the Successor Agency's South Tahoe Redevelopment Project Area No. 1 Tax Allocation Loan, 2015 Series A. The Successor Agency hereby designates the 2015 Series A TA Loan as a TOT/TA Loan.

(b) The 2015 Series A TA Loan shall be evidenced by the 2015 Series A TA Note, to be designated as the Successor Agency's Redevelopment Project Area No. 1 Tax Allocation Note, 2015 Series A. The 2015 Series A TA Note shall be issued in fully registered form, in the aggregate principal amount of the 2015 Series A TA Loan and shall be initially registered in the name of The Bank of New York Mellon Trust Company, N.A., as trustee for the Authority. Registered ownership of the 2015 Series A TA Note, or any portion thereof, may not thereafter be transferred; provided, that in the event there is a substitution of trustee for the 2015 Authority Bonds under the Trust Agreement, then the registered ownership of the 2015 Series A TA Note shall be transferred to the new trustee.

Principal and interest with respect to the 2015 Series A TA Loan shall be payable on the dates and in the amounts and bear interest as set forth in the following schedule (subject to prepayments under Article XXXIV):

<u>Payment Date</u>	<u>Principal Amount</u>	<u>Interest Payment</u> ⁽¹⁾⁽²⁾	<u>Payment Date</u>	<u>Principal Amount</u>	<u>Interest Payment</u> ⁽¹⁾⁽²⁾
4/1/2016			4/1/2026		
10/1/2016			10/1/2026		
4/1/2017			4/1/2027		
10/1/2017			10/1/2027		
4/1/2018			4/1/2028		
10/1/2018			10/1/2028		
4/1/2019			4/1/2029		
10/1/2019			10/1/2029		
4/1/2020			4/1/2030		
10/1/2020			10/1/2030		
4/1/2021			4/1/2031		
10/1/2021			10/1/2031		
4/1/2022			4/1/2032		
10/1/2022			10/1/2032		
4/1/2023			4/1/2033		
10/1/2023			10/1/2033		
4/1/2024			4/1/2034		
10/1/2024			10/1/2034		
4/1/2025			4/1/2035		
10/1/2025			10/1/2035		

- (1) The principal and interest payments on the 2015 Series A TA Loan correspond with the principal and interest payments on the 2015 Authority Bonds.
- (2) If the Successor Agency prepays any portion of the outstanding principal amount of the 2015 Series A TA Loan pursuant to Article XXXIV, the interest payments shall be recalculated by the Successor Agency based on the applicable interest rates.

The 2015 Series A TA Loan shall bear interest at the rates corresponding to the outstanding maturities of the 2015 Authority Bonds, calculated on the basis of a 360-day year consisting of twelve 30-day months. If at any time the Successor Agency prepays any portion of the outstanding principal amount of the 2015 Series A TA Loan pursuant to Article XXXIV, the interest payments set forth in the table above and Schedule A of the 2015 Series A TA Note shall be recalculated by the Successor Agency based on the applicable interest rates. If at any time interest is in default on the Outstanding 2015 Series A TA Loan, such 2015 Series A TA Loan shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on the Outstanding 2015 Series A TA Loan. Principal of, interest and premium, if any, on the 2015 Series A TA Loan shall be payable in lawful money of the United States of America, by the method specified by the Authority, at the corporate trust office of the Trustee, at Los Angeles, California or such other place as may be designated by the Trustee.

SECTION 33.02 Form of 2015 Series A TA Note. The 2015 Series A TA Note and the certificate of authentication to be executed thereon shall be in substantially the form set forth as Exhibit A to this Seventh Supplemental Loan Agreement. The 2015 Series A TA Note number, payment dates and principal and interest due on each such date shall be inserted therein in conformity with Section 33.01.

SECTION 33.03 Issuance of 2015 Series A TA Note. Concurrently with the issuance of the 2015 Authority Bonds, the Successor Agency shall execute, and the Trustee shall authenticate and deliver, the 2015 Series A TA Note.

ARTICLE XXXIV PREPAYMENT OF 2015 SERIES A TA LOAN

SECTION 34.01 Prepayment Through Acquisition or Redemption of 2015 Authority Bonds.

(a) The Successor Agency may prepay the 2015 Series A TA Loan, in whole or in part, through the acquisition or redemption of the 2015 Authority Bonds pursuant to this Section. At any time that the 2015 Authority Bonds, in whole or in part, are redeemed or deemed paid prior to maturity as the result of actions taken pursuant to subsection (b), (c) or (e) of this Section, principal and interest otherwise payable on such redeemed or paid 2015 Authority Bonds shall be credited against the corresponding principal and interest payments on the Outstanding 2015 Series A TA Loan.

(b) The Successor Agency shall have the right to surrender any 2015 Authority Bond acquired by it in any manner whatsoever to the trustee for the 2015 Authority Bonds for cancellation. Upon the surrender and cancellation, such 2015 Authority Bond shall be deemed paid and retired. In the event that such surrendered 2015 Authority Bond represents a portion of a term bond, an allocation shall be made as set forth in the last sentence of Section 4.05 of the Trust Agreement in accordance with a Written Request of the Successor Agency.

(c) The Successor Agency may from time to time cause all or a portion of the 2015 Authority Bonds to be redeemed at the times permitted under the Trust Agreement pursuant to this Section 34.01 and Section 34.01 of the Trust Agreement. When 2015 Authority Bonds are to be optionally redeemed by the Authority upon direction of the Successor Agency as set forth in Section 34.01 of the Trust Agreement, the Successor Agency shall give, or cause to be given, written notice to the Trustee of the exercise of such option at least 45 days (or such shorter period as acceptable to the Trustee) prior to the proposed redemption date. Such notice shall state the proposed redemption date, the principal amount of 2015 Authority Bonds to be redeemed and the maturity or maturities from which such redemption shall be made.

On or before the redemption date for the 2015 Authority Bonds, the Successor Agency shall deposit, or caused to be deposited, with the trustee for the 2015 Authority Bonds, sufficient money to pay the redemption price of the 2015 Authority Bonds being called on such redemption date (including the principal thereof, and premium, if any, and accrued interest thereon). Such money shall be deposited by the trustee for the 2015 Authority Bonds upon receipt in the 2015 Series A Redemption Subaccount to be established, if necessary,

within the Optional Redemption Account (established under Section 4.05 of the Trust Agreement). The money deposited in the Optional Redemption Account (or a subaccount therein) pursuant to the preceding sentence shall be used for the redemption or purchase of the 2015 Authority Bonds in the manner and subject to the terms and conditions set forth in the Trust Agreement.

(d) Prior to (i) requesting an optional redemption of 2015 Authority Bonds pursuant to Section 34.01 of the Trust Agreement, (ii) surrendering 2015 Authority Bonds to the trustee for the 2015 Authority Bonds for cancellation, or (iii) directing the Trustee to purchase 2015 Authority Bonds at a purchase price (excluding accrued interest) less than the par amount of such 2015 Authority Bonds pursuant to Section 4.03(b) or 4.05 of the Trust Agreement, the Successor Agency shall deliver to the Trustee a Certificate of the Successor Agency requesting such action and identifying the maturity date of 2015 Authority Bonds to be so redeemed, surrendered or purchased (and, in the case of 2015 Authority Bonds that are term bonds, the corresponding Mandatory Sinking Account Payment Date).

(e) If the Successor Agency is not in default in the payment of the 2015 Series A TA Loan, the Successor Agency may request that the Authority, at any time there is on deposit with the trustee for the 2015 Authority Bonds moneys or securities in the amount necessary to pay or redeem all 2015 Authority Bonds Outstanding (as provided in Article IX of the Trust Agreement), apply such moneys or securities to pay or redeem all Outstanding 2015 Authority Bonds, and the Successor Agency, and the Trustee at the reasonable request of the Successor Agency, shall take such action as necessary or appropriate to assist the Authority to discharge the entire indebtedness on all 2015 Authority Bonds Outstanding in accordance with the terms of the Trust Agreement.

(f) Notwithstanding anything of the foregoing, the Successor Agency shall have the right to rescind any request for the optional redemption of 2015 Authority Bonds by a written notice of rescission. Any notice of optional redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the 2015 Authority Bonds then called for redemption. Neither such cancellation nor lack of available funds shall constitute an Event of Default under this Loan Agreement. In such event, the Successor Agency shall cause the trustee for the 2015 Authority Bonds to send notices of rescission in accordance with Section 34.03(c) of the Trust Agreement.

SECTION 34.02 Defeasance of 2015 Series A TA Loan. The Successor Agency shall also have the right, at any time or from time to time, to prepay all or any portion of the 2015 Series A TA Loan pursuant Section 9.01 of the Loan Agreement.

ARTICLE XXXV MISCELLANEOUS PROVISIONS

SECTION 35.01 Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the 2015 Series A Continuing Disclosure Agreement. Notwithstanding any other provision of the Loan Agreement to the contrary, failure of the Successor Agency to comply with the 2015 Series A Continuing Disclosure Agreement shall not be considered an Event of Default under the Loan Agreement;

provided, however, that the Trustee, at the written request of any Participating Underwriter (as that term is defined in the 2015 Series A Continuing Disclosure Agreement) or the Holders (as defined in the Trust Agreement) of at least 25 percent aggregate principal amount of 2015 Series A Bonds shall (but only to the extent funds in amount satisfactory to the Trustee have been provided to it or it has been otherwise indemnified to its satisfaction), or any Holder or Beneficial Owner of a 2015 Series A Bond may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section. For purposes of this Section, "Beneficial Owner" means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any 2015 Series A Bonds (including persons holding 2015 Series A Bonds through nominees, depositories or other intermediaries).

SECTION 35.02 Additional Covenants. So long as the 2015 Bond Insurance Policy remains in full force and effect and the 2015 Bond Insurer has not defaulted with respect to its payment obligations thereunder, the Successor Agency and the Trustee, as applicable, shall comply with the following additional covenants:

- (a) **[to come].**
- (b)
- (c)

Notwithstanding any of the foregoing, all rights of the 2015 Bond Insurer to direct or consent to actions of the Successor Agency or the Trustee under the Loan Agreement shall be suspended during any period in which the 2015 Bond Insurer is in default with respect to its payment obligations under the 2015 Bond Insurance Policy (except to the extent of amounts previously paid by the 2015 Bond Insurer and due and owing to the 2015 Bond Insurer) and shall be of no force or effect in the event the 2015 Bond Insurance Policy is no longer in effect or the 2015 Bond Insurer asserts that the 2015 Bond Insurance Policy is not in effect.

SECTION 35.03 2015 Bond Insurer as Third Party Beneficiary. Notwithstanding any provision to the contrary in the Loan Agreement, so long as the 2015 Bond Insurance Policy remains in full force and effect and the 2015 Bond Insurer has not defaulted with respect to its payment obligations thereunder, the 2015 Bond Insurer shall be a third party beneficiary to the Loan Agreement.

SECTION 35.04 Terms of 2015 Series A TA Loan Subject to the Loan Agreement. Except as expressly provided in this Seventh Supplemental Loan Agreement, every term and condition contained in the Loan Agreement shall apply to this Seventh Supplemental Loan Agreement and to the 2015 Series A TA Loan with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Seventh Supplemental Loan Agreement.

This Seventh Supplemental Loan Agreement and all the terms and provisions herein contained shall form part of the Loan Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Loan Agreement. The Loan Agreement is hereby

ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

SECTION 35.05 Effective Date of Seventh Supplemental Loan Agreement. This Seventh Supplemental Loan Agreement shall take effect upon its execution and delivery.

SECTION 35.06 Execution in Counterparts. This Seventh Supplemental Loan Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Seventh Supplemental Loan Agreement by their officers thereunto duly authorized as of the day and year first written above.

**SUCCESSOR AGENCY TO THE SOUTH
TAHOE REDEVELOPMENT AGENCY**

By _____
Executive Director

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

By _____
Authorized Officer

EXHIBIT A

[FORM OF 2015 SERIES A TA NOTE]

SUCCESSOR AGENCY TO THE
SOUTH TAHOE REDEVELOPMENT AGENCY
REDEVELOPMENT PROJECT AREA NO. 1
TAX ALLOCATION NOTE, 2015 SERIES A

Average Interest Rate at Original Issuance Date	Payment Date	Original Issue Date
_____ %	(See attached schedule)	_____, 2015

Registered Owner: THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE FOR THE SOUTH TAHOE JOINT POWERS FINANCING AUTHORITY

Principal Sum: _____ DOLLARS (\$_____)

The SUCCESSOR AGENCY TO THE SOUTH TAHOE REDEVELOPMENT AGENCY, a public body, corporate and politic, duly organized and validly existing under and pursuant to the laws of the State of California (the "Successor Agency"), as the successor to the South Tahoe Redevelopment Agency (the "Former Agency"), for value received, hereby promises to pay but only out of the Tax Increment Revenues (as defined in the TA Loan Agreement hereinafter described) and other amounts pledged therefor to the registered owner identified above or registered assigns, on the payment dates specified in the attached Schedule A (subject to permitted prepayments) the principal sum specified above, together with interest on such principal sum from the Original Issue Date stated above until the principal shall have been paid in full. Interest payable hereunder shall be calculated on the basis of a 360-day year consisting of twelve 30-day months, at the rates described in that certain Seventh Supplemental Loan Agreement, dated as of July 1, 2015 (the "Seventh Supplemental Loan Agreement"), by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The amounts of principal and/or interest due on each payment date are set forth in Schedule A attached hereto; provided, however, amounts payable under this Note (this "2015 Series A TA Note") are subject to prepayments pursuant to the Seventh Supplemental Loan Agreement; and in the event of such a prepayment, the principal and interest due hereunder shall be recalculated in accordance with the Seventh Supplemental Loan Agreement. Principal, prepayment premium (if any), and interest due under this Note (this "2015 Series A TA Note") shall be payable in lawful money of the United States of America in the manner set forth in the Seventh Supplemental Loan Agreement.

This 2015 Series A TA Note evidences payments to be made by the Successor Agency under the Successor Agency to the South Tahoe Redevelopment Agency Redevelopment Project Area No. 1 Tax Allocation Loan, 2015 Series A (the "2015 Series A TA Loan"), limited in aggregate principal amount to _____ Dollars (\$_____), incurred

pursuant to (i) Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, (ii) the Community Redevelopment Law of the State of California set forth in Part 1 of Division 24 of California Health and Safety Code, as amended by Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code (as so amended, the “Law”), and (iii) a Master Tax Allocation Loan Agreement, dated as of November 1, 1995, by the Former Agency and First Interstate Bank of California, as prior trustee, as amended and supplemented, including by the Seventh Supplemental Loan Agreement (as the same may be amended or supplemented from time to time in accordance to the terms thereof, the “TA Loan Agreement”). The 2015 Series A TA Note is secured in accordance with the terms and conditions of the TA Loan Agreement. Reference is hereby made to the TA Loan Agreement and the Law for: (i) a description of the terms on which the 2015 Series A TA Loan is made by the Successor Agency, (ii) the provisions regarding the nature and extent of the security provided for the 2015 Series A TA Loan and of the nature, extent and manner of enforcement of such security, and (iii) a statement of the rights of the registered owners of the 2015 Series A TA Note. All the terms of the TA Loan Agreement and the Law are hereby incorporated herein and constitute a contract between the Successor Agency and the registered owner from time to time of this 2015 Series A TA Note. By the acceptance hereof, the registered owner of this 2015 Series A TA Note consents and agrees to all the provisions of the TA Loan Agreement and the Law. Each registered owner hereof shall have recourse to all the provisions of the Law and the TA Loan Agreement and shall be bound by all the terms and conditions thereof. All capitalized terms not otherwise defined herein have the meanings ascribed to them in the TA Loan Agreement.

The 2015 Series A TA Loan was incurred to provide funds to aid the refinancing of certain costs of the Project relating to Redevelopment Project Area No. 1, a duly adopted redevelopment project in the City of South Lake Tahoe, California (the “City”), as more particularly described in the TA Loan Agreement.

The 2015 Series A TA Loan is secured by a pledge of, and charge and lien upon, certain revenues defined as “Tax Increment Revenues” pursuant to the Law, as amended by the Dissolution Act. The 2015 Series A TA Loan is a special obligation of the Successor Agency and is payable, as to interest thereon, principal thereof and any premiums upon the prepayment thereof, exclusively from the Tax Increment Revenues and other amounts pledged therefor under the TA Loan Agreement. The Successor Agency is not obligated to pay the 2015 Series A TA Loan except from Tax Increment Revenues and amounts pledged therefor under the TA Loan Agreement. The Tax Increment Revenues and the other amounts pledged under the TA Loan Agreement constitute a trust fund for the security and payment of the interest on and principal of and redemption premiums, if any, on the 2015 Series A TA Loan.

The 2015 Series A TA Loan is subject to prepayment as provided in the TA Loan Agreement.

For the payment of the interest on and principal of and prepayment premium, if any, on the Loans when due, there has been created and will be maintained by the Trustee, a TA Special Fund into which Tax Increment Revenues shall be deposited pursuant to the TA Loan Agreement. The Successor Agency covenants under the TA Loan Agreement to pay promptly when due the interest on and principal of and prepayment premium, if any, on the 2015 Series A

TA Loan and all the other Loans incurred by the Successor Agency under the TA Loan Agreement out of the TA Special Fund, all in accordance with the terms and provisions set forth in the TA Loan Agreement.

The 2015 Series A TA Loan is being incurred to prepay [all][a portion] of the remaining outstanding principal amount of the Tax Allocation Loan, 2005 Series A TA Loan (the “2007 Series A TOT Loan”), previously incurred under the TA Loan Agreement. There has been previously incurred, under the TA Loan Agreement, a Tax Allocation Loan, 2007 Series A TA Loan (the “2007 Series A TA Loan”) and a Tax Allocation Loan, 2014 Series A TA Loan (the “2014 Series A TA Loan”), which rank equally as to security to the 2015 Series A TA Loan. Additional loans payable from the Tax Increment Revenues which will rank equally as to security with [the portion of the 2005 Series A TA Loan which will remain Outstanding after the incurrence of the 2015 Series A TA Loan,] the 2007 Series A TA Loan, the 2007 Series A TA Loan and the 2015 Series A TA Loan, may be incurred subject to terms and conditions set forth in the TA Loan Agreement. The 2015 Series A TA Loan and all other loans heretofore or hereafter incurred under the TA Loan Agreement are collectively referred to herein as the “Loans.” This 2015 Series A TA Note together with all other notes heretofore or hereafter issued under the TA Loan Agreement are collectively referred to herein as the “Notes.”

The 2007 Series A TA Loan, the 2014 Series A TA Loan and the 2015 Series A TA Loan have been designated TOT/TA Loans under the TA Loan Agreement. Pursuant to the TA Loan Agreement, any deposit of moneys into the Interest Account and the Principal Account (each an account in the TA Special Fund) with respect to a TOT/TA Loan, as required in the TA Loan Agreement, shall also be deemed to be a payment with respect to such TOT/TA Loan under the TOT Loan Agreement, to the extent such deposit or deposits are applied to pay such TOT/TA Loan.

If an Event of Default (within the meaning of Article VIII of the TA Loan Agreement) shall occur, the principal of all Loans may be declared due and payable upon the conditions, in the manner and with the effect provided in the TA Loan Agreement; except that the TA Loan Agreement provides that in certain events such declaration and its consequences may be rescinded by the registered owners of at least 25 percent in aggregate principal amount of the Notes then outstanding.

The 2015 Series A TA Note is issued only in the form of a fully registered note. The holder of this 2015 Series A TA Note may surrender the same (together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such registered owner’s duly authorized attorney) at the office of the Trustee in Los Angeles, California, in exchange for an equal principal amount of fully registered 2015 Series A TA Note, in the manner, subject to the conditions and upon the payment of the charges provided in the TA Loan Agreement.

This 2015 Series A TA Note may be transferred only in accordance with the terms and conditions of the TA Loan Agreement.

In addition, this 2015 Series A TA Note is transferable only on a register to be kept for that purpose at the above-mentioned office of the Trustee by the registered owner hereof in

person or by such registered owner's duly authorized attorney upon payment of the charges provided in the TA Loan Agreement, if any, and upon surrender of this 2015 Series A TA Note together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such registered owner's duly authorized attorney, and thereupon a new fully registered 2015 Series A TA Note in the same aggregate principal amount will be issued to the transferee in exchange therefor. The Successor Agency and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the interest hereon and principal hereof and for all other purposes, whether or not the 2015 Series A TA Loan shall be overdue, and neither the Successor Agency nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of the 2015 Series A TA Loan shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on the 2015 Series A TA Loan to the extent of the sum or sums so paid. The rights and obligations of the Successor Agency and of the registered owners of this 2015 Series A TA Note may be amended at any time in the manner, to the extent and upon the terms provided in the TA Loan Agreement, but no such amendment shall (1) extend the maturity of the 2015 Series A TA Loan, or reduce the interest rate hereon, or otherwise alter or impair the obligation of the Successor Agency to pay the interest hereon or principal hereof or any premium payable on the redemption hereof at the time and place and at the rate and in the currency provided herein, without the express written consent of the registered owner of this 2015 Series A TA Note, or (2) permit the creation by the Successor Agency of any mortgage, pledge or lien upon the Tax Increment Revenues superior to the pledge and lien created in the TA Loan Agreement for the benefit of the 2015 Series A TA Note except as permitted by the TA Loan Agreement or (3) reduce the percentage of Notes required for the written consent to an amendment of the TA Loan Agreement, or (4) modify any rights or obligations of the Trustee without its prior written assent thereto; all as more fully set forth in the TA Loan Agreement.

The 2015 Series A TA Loan is not a debt of the City, the State of California (the "State") or any of political subdivision thereof (except for the Successor Agency). None of the City, the State nor any political subdivision thereof (except for the Successor Agency) is liable for repayment on the 2015 Series A TA Loan. In no event shall the 2015 Series A TA Loan or any interest thereon or any redemption premium thereon be payable out of any funds or properties other than those of the Successor Agency. The 2015 Series A TA Loan does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the members of the Successor Agency nor any persons executing this 2015 Series A TA Note shall be personally liable on the 2015 Series A Loan or this 2015 Series A TA Note by reason of the issuance of this 2015 Series A TA Note.

This 2015 Series A TA Note shall not be entitled to any benefits under the TA Loan Agreement or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been signed by the Trustee.

It is hereby certified that all of the acts, conditions and things required to exist, to have happened or to have been performed precedent to and in the issuance of this 2015 Series A TA Note do exist, have happened and have been performed in due time, form and manner as required by law and that the amount of the 2015 Series A TA Loan, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Constitution or laws of the

State, and is not in excess of the amount of Loans permitted to be incurred by the Successor Agency under the TA Loan Agreement.

IN WITNESS WHEREOF, the Successor Agency has caused this 2015 Series A TA Note to be executed in its name and on its behalf by the facsimile signature of its Executive Director and countersigned by the facsimile signature of its Secretary, and has caused this 2015 Series A TA Note to be dated as of the original issue date specified above.

**SUCCESSOR AGENCY TO THE SOUTH
TAHOE REDEVELOPMENT AGENCY**

By _____
Executive Director

Attest:

Secretary

[CERTIFICATE OF AUTHENTICATION]

This is the 2015 Series A TA Note described in the within-mentioned TA Loan Agreement which has been authenticated on _____, 20__.

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

By _____
Authorized Signatory

=====

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto _____ the within the 2015 Series A TA Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within 2015 Series A TA Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Bond: The signature to this Assignment must correspond with the name as written on the face of the 2015 Series A TA Note in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed: _____

Notice: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

SCHEDULE A

Payment Date	Principal Amount	Interest Payment ⁽¹⁾⁽²⁾	Payment Date	Principal Amount	Interest Payment ⁽¹⁾⁽²⁾
4/1/2016			4/1/2026		
10/1/2016			10/1/2026		
4/1/2017			4/1/2027		
10/1/2017			10/1/2027		
4/1/2018			4/1/2028		
10/1/2018			10/1/2028		
4/1/2019			4/1/2029		
10/1/2019			10/1/2029		
4/1/2020			4/1/2030		
10/1/2020			10/1/2030		
4/1/2021			4/1/2031		
10/1/2021			10/1/2031		
4/1/2022			4/1/2032		
10/1/2022			10/1/2032		
4/1/2023			4/1/2033		
10/1/2023			10/1/2033		
4/1/2024			4/1/2034		
10/1/2024			10/1/2034		
4/1/2025			4/1/2035		
10/1/2025			10/1/2035		

- (1) The principal and interest payments on the 2015 Series A TA Loan correspond with the principal and interest payments on the 2015 Authority Bonds.
- (2) If the Successor Agency prepays any portion of the outstanding principal amount of the 2015 Series A TA Loan pursuant to Article XXXIV of the TA Loan Agreement, the interest payments shall be recalculated by the Successor Agency based on the applicable interest rates.

Attachment 6

7th Supplemental Master Transient Occupancy Tax Loan Agreement

Seventh Supplemental Loan Agreement

by and between

Successor Agency to the South Tahoe Redevelopment Agency

and

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

Dated as of July 1, 2015

Authorizing the issuance of

\$ _____
in the Aggregate Principal Amount of
South Tahoe Redevelopment Agency
Redevelopment Project Area No. 1 Transient Occupancy Tax Note, 2015 Series A

(Supplemental to the Master Transient Occupancy Tax Loan Agreement,
dated as of November 1, 1995)

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Exhibit A – Form of 2015 Series A TOT Note

SEVENTH SUPPLEMENTAL LOAN AGREEMENT
(Supplemental to the Master Transient Occupancy Tax Loan Agreement
dated as of November 1, 1995)

This Seventh Supplemental Loan Agreement, dated as of July 1, 2015 (this "Seventh Supplemental Loan Agreement"), is entered into by and between the Successor Agency to the South Tahoe Redevelopment Agency, a public body, corporate and politic, organized and existing by virtue of the laws of the State of California (the "Successor Agency"), as the successor to the South Tahoe Redevelopment Agency (the "Former Agency"), and The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under the United States of America, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, this Seventh Supplemental Loan Agreement is supplemental to the Master Tax Allocation Loan Agreement, dated as of November 1, 1995 (the "Master Loan Agreement"), by and between the Former Agency and First Interstate Bank of California, as the predecessor trustee, as amended and supplemented by the First Supplemental Loan Agreement, dated as of March 1, 1999, the Second Supplemental Loan Agreement, dated as of April 1, 2003, the Third Supplemental Loan Agreement, dated as of September 1, 2004, the Fourth Supplemental Loan Agreement, dated as of July 1, 2005, the Fifth Supplemental Loan Agreement, dated as of August 1, 2007, and the Sixth Supplemental Loan Agreement, dated as of December 1, 2014 (the "Sixth Supplemental Loan Agreement"); and

WHEREAS, the Former Agency was a redevelopment agency duly formed pursuant to the Community Redevelopment Law, set forth in Part 1 of Division 24 of the Health and Safety Code of the State of California ("HSC"); and

WHEREAS, the Former Agency undertook a program to redevelop a project area known as South Tahoe Redevelopment Project No. 1 (the "Project Area"); and

WHEREAS, pursuant to AB X1 26 (enacted in June 2011) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the Former Agency was dissolved as of February 1, 2012; the Successor Agency, as the successor to the Former Agency, was constituted; and an Oversight Board to the Successor Agency (the "Oversight Board") was established; and

WHEREAS, AB 1484 (enacted in June 2012) amended and supplemented the provisions of AB X1 26 (AB X1 26 and AB 1484, together, being referred to below as the "Dissolution Act"); and

WHEREAS, to finance and refinance costs of redevelopment projects for the Project Area, the Former Agency previously incurred multiple loans under the Master Loan Agreement, as amended and supplemented, each evidenced by transient occupancy tax notes, including its Redevelopment Project Area No. 1 Transient Occupancy Tax, 2005 Series A (the "2005 Series A TOT Note"); and

WHEREAS, the Successor Agency is authorized to incur indebtedness (the "Refunding Debt") to refund outstanding indebtedness previously incurred by the Former Agency, subject to the conditions precedent set forth in HSC Section 34177.5; and

WHEREAS, such Refunding Debt would be incurred under the authority of HSC Section 34177.5 and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code; and

WHEREAS, pursuant to HSC Sections 34177.5 and 34180, the incurrence of the Refunding Debt is subject to the Oversight Board's prior approval and, pursuant to HSC Section 34179(h), and all Oversight Board actions are subject to review by the California State Department of Finance (the "DOF"); and

WHEREAS, on May 15, 2015, the Oversight Board adopted Resolution No. _____ (the "2015 Oversight Board Resolution"), approving the incurrence of Refunding Debt to refund all or a portion of the remaining outstanding principal amount of the 2005 Series A TOT Note; and

WHEREAS, the DOF has issued a letter dated _____, 2015, indicating the DOF's approval of the 2015 Oversight Board Resolution; and

WHEREAS, the Successor Agency has determined to incur the Refunding Debt to refund [all][a portion] of the remaining outstanding principal amount of the 2005 Series A TOT Note; and

WHEREAS, the Refunding Debt will be in the form of a loan (the "2015 Series A TOT Loan") pursuant to the terms of the Master Loan Agreement, as previously amended and supplemented and as further amended and supplemented by this Seventh Supplemental Loan Agreement (as so amended and supplemented, the "Loan Agreement"); and

WHEREAS, the repayment of the 2015 Series A TOT Loan will be secured by a pledge and lien established under the Loan Agreement on a parity with other loans incurred and outstanding under the Loan Agreement; and

WHEREAS, the 2015 Series A TOT Loan will be evidenced by the a note be issued by the Successor Agency hereunder designated as its Redevelopment Project Area No. 1 Tax Allocation Note, 2015 Series A; and

WHEREAS, the Successor Agency has obtained the written consent of the Ambac Assurance Corporation, in its capacity as the 2007 Bond Insurer (as previously defined in the Loan Agreement), in accordance with Section 30.04 set forth in the Sixth Supplemental Loan Agreement; and

WHEREAS, the Successor Agency has determined that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and the entering into of this Seventh Supplemental Loan Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Seventh Supplemental Loan Agreement;

NOW, THEREFORE, the parties hereto agree, as follows:

**ARTICLE XXXI
DEFINITIONS; INTERPRETATION**

SECTION 31.01 Definitions; Amended Definitions. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in Section 1.01 of the Loan Agreement, as previously amended. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of the Loan Agreement and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

Closing Date means, with respect to the 2015 Series A TA Note and the 2015 Series A TOT Note, _____, 2015.

2015 Authority Bonds means the Authority's Refunding Revenue Bonds (South Tahoe Redevelopment Project Area No. 1) 2015 Series A issued pursuant to the Trust Agreement.

2015 Authority Insured Bonds means those 2015 Authority Bonds designated as the "2015 Series A Insured Bonds" in the Trust Agreement.

2015 Bond Insurance Policy has the meaning ascribed to it in the Trust Agreement.

2015 Bond Insurer has the meaning ascribed to it in the Trust Agreement.

2015 Escrow Agreement has the meaning ascribed to it in the Trust Agreement.

2015 Escrow Fund has the meaning ascribed to it in the Trust Agreement.

2015 Oversight Board Resolution means Resolution No. _____, adopted on _____, 2015, by the Oversight Board, approving the incurrence of the 2015 Series A TOT Loan and the issuance of the 2015 Series A TOT Note and taking other actions.

2015 Series A Continuing Disclosure Agreement has the meaning ascribed to it in the Trust Agreement.

2015 Successor Agency Resolution means Resolution No. _____, adopted on _____, 2015, by the Board of Directors of the Successor Agency, approving the incurrence of the 2015 Series A TOT Loan and the issuance of the 2015 Series A TOT Note and taking other actions.

2015 Series A TOT Loan means the Successor Agency's South Tahoe Redevelopment Project Area No. 1 Transient Occupancy Tax Loan, 2015 Series A, as described Article XXXII.

2015 Series A TOT Note means the Successor Agency's Redevelopment Project Area No. 1 Transient Occupancy Tax Note, 2015 Series A, issued to evidence the 2015 Series A TOT Loan pursuant to Article XXXII.

SECTION 31.02 Interpretation.

(a) Unless the context otherwise indicates, defined terms shall include all variants thereof, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) Unless otherwise indicated, references herein to Articles and Sections shall be to the Articles and Sections of the Loan Agreement. The words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Seventh Supplemental Loan Agreement as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE XXXII
TERMS OF 2015 SERIES A TOT LOAN

SECTION 32.01 Authorization and Terms of 2015 Series A TOT Loan.

(a) The Successor Agency hereby authorizes the incurrence of a TOT Loan (the "2015 Series A TOT Loan") and the issuance of a TOT Note (the "2015 Series A TOT Note") in the principal amount of _____ **Dollars (\$ _____)** in accordance with the Law and pursuant to the Loan Agreement. The 2015 Series A TOT Loan is hereby incurred by the Successor Agency to refund the remaining outstanding principal amount of the 2005 Series A TOT Note. Such refunding shall be accomplished through the deposit by the Authority of the proceeds of the 2015 Authority Bonds in the 2015 Escrow Fund. The 2015 Series A TOT Loan is designated as the Successor Agency's South Tahoe Redevelopment Project Area No. 1 Transient Occupancy Tax Loan, 2015 Series A. The Successor Agency hereby designates the 2015 Series A TOT Loan as a TOT/TA Loan.

(b) The 2015 Series A TOT Loan shall be evidenced by the 2015 Series A TOT Note, to be designated as the Successor Agency's Redevelopment Project Area No. 1 Transient Occupancy Tax Note, 2015 Series A. The 2015 Series A TOT Note shall be issued in fully registered form, in the aggregate principal amount of the 2015 Series A TOT Loan and shall be initially registered in the name of The Bank of New York Mellon Trust Company, N.A., as trustee for the Authority. Registered ownership of the 2015 Series A TOT Note, or any portion thereof, may not thereafter be transferred; provided, that in the event there is a substitution of trustee for the 2015 Authority Bonds under the Trust Agreement, then the registered ownership of the 2015 Series A TOT Note shall be transferred to the new trustee.

Principal and interest with respect to the 2015 Series A TOT Loan shall be payable on the dates and in the amounts and bear interest as set forth in the following schedule (subject to prepayments under Article XXXIII):

<u>Payment Date</u>	<u>Principal Amount</u>	<u>Interest Payment</u> ⁽¹⁾⁽²⁾	<u>Payment Date</u>	<u>Principal Amount</u>	<u>Interest Payment</u> ⁽¹⁾⁽²⁾
4/1/2016			4/1/2026		
10/1/2016			10/1/2026		
4/1/2017			4/1/2027		
10/1/2017			10/1/2027		
4/1/2018			4/1/2028		
10/1/2018			10/1/2028		
4/1/2019			4/1/2029		
10/1/2019			10/1/2029		
4/1/2020			4/1/2030		
10/1/2020			10/1/2030		
4/1/2021			4/1/2031		
10/1/2021			10/1/2031		
4/1/2022			4/1/2032		
10/1/2022			10/1/2032		
4/1/2023			4/1/2033		
10/1/2023			10/1/2033		
4/1/2024			4/1/2034		
10/1/2024			10/1/2034		
4/1/2025			4/1/2035		
10/1/2025			10/1/2035		

- (1) The principal and interest payments on the 2015 Series A TOT Loan correspond with the principal and interest payments on the 2015 Authority Bonds.
- (2) If the Successor Agency prepays any portion of the outstanding principal amount of the 2015 Series A TOT Loan pursuant to Article XXXIII, the interest payments shall be recalculated by the Successor Agency based on the applicable interest rates.

The 2015 Series A TOT Loan shall bear interest at the rates corresponding to the outstanding maturities of the 2015 Authority Bonds, calculated on the basis of a 360-day year consisting of twelve 30-day months. If at any time the Successor Agency prepays any portion of the outstanding principal amount of the 2015 Series A TOT Loan pursuant to Article XXXIII, the interest payments set forth in the table above and Schedule A of the 2015 Series A TOT Note shall be recalculated by the Successor Agency based on the applicable interest rates. If at any time interest is in default on the Outstanding 2015 Series A TOT Loan, such 2015 Series A TOT Loan shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on the Outstanding 2015 Series A TOT Loan. Principal of, interest and premium, if any, on the 2015 Series A TOT Loan shall be payable in lawful money of the United States of America, by the method specified by the Authority, at the corporate trust office of the Trustee, at Los Angeles, California or such other place as may be designated by the Trustee.

SECTION 32.02 Form of 2015 Series A TOT Note. The 2015 Series A TOT Note and the certificate of authentication to be executed thereon shall be in substantially the form set forth as Exhibit A to this Seventh Supplemental Loan Agreement. The 2015 Series A TOT Note number, payment dates and principal and interest due on each such date shall be inserted therein in conformity with Section 32.02.

SECTION 32.03 Issuance of 2015 Series A TOT Note. Concurrently with the issuance of the 2015 Authority Bonds, the Successor Agency shall execute, and the Trustee shall authenticate and deliver, the 2015 Series A TOT Note.

ARTICLE XXXIII PREPAYMENT OF 2015 SERIES A TOT LOAN

SECTION 33.01 Prepayment Through Acquisition or Redemption of 2015 Authority Bonds.

(a) The Successor Agency may prepay the 2015 Series A TOT Loan, in whole or in part, through the acquisition or redemption of the 2015 Authority Bonds pursuant to this Section 33.01. At any time that the 2015 Authority Bonds, in whole or in part, are redeemed or deemed paid prior to maturity as the result of actions taken pursuant to subsection (b), (c) or (e) of this Section, principal and interest otherwise payable on such redeemed or paid 2015 Authority Bonds shall be credited against the corresponding principal and interest payments on the Outstanding 2015 Series A TOT Loan.

(b) The Successor Agency shall have the right to surrender any 2015 Authority Bond acquired by it in any manner whatsoever to the trustee for the 2015 Authority Bonds for cancellation. Upon the surrender and cancellation, such 2015 Authority Bond shall be deemed paid and retired. In the event that such surrendered 2015 Authority Bond represents a portion of a term bond, an allocation shall be made as set forth in the last sentence of Section 4.05 of the Trust Agreement in accordance with a Written Request of the Successor Agency.

(c) The Successor Agency may from time to time cause all or a portion of the 2015 Authority Bonds to be redeemed at the times permitted under the Trust Agreement pursuant to this Section 33.01 and Section 34.01 of the Trust Agreement. When 2015 Authority Bonds are to be optionally redeemed by the Authority upon direction of the Successor Agency as set forth in Section 34.01 of the Trust Agreement, the Successor Agency shall give, or cause to be given, written notice to the Trustee of the exercise of such option at least 45 days (or such shorter period as acceptable to the Trustee) prior to the proposed redemption date. Such notice shall state the proposed redemption date, the principal amount of 2015 Authority Bonds to be redeemed and the maturity or maturities from which such redemption shall be made.

On or before the redemption date for the 2015 Authority Bonds, the Successor Agency shall deposit, or caused to be deposited, with the trustee for the 2015 Authority Bonds, sufficient money to pay the redemption price of the 2015 Authority Bonds being called on such redemption date (including the principal thereof, and premium, if any, and accrued interest thereon). Such money shall be deposited by the trustee for the 2015 Authority Bonds upon receipt in the 2015 Series A Redemption Subaccount to be established, if necessary,

within the Optional Redemption Account (established under Section 4.05 of the Trust Agreement). The money deposited in the Optional Redemption Account (or a subaccount therein) pursuant to the preceding sentence shall be used for the redemption or purchase of the 2015 Authority Bonds in the manner and subject to the terms and conditions set forth in the Trust Agreement.

(d) Prior to (i) requesting an optional redemption of 2015 Authority Bonds pursuant to Section 34.01 of the Trust Agreement, (ii) surrendering 2015 Authority Bonds to the trustee for the 2015 Authority Bonds for cancellation, or (iii) directing the Trustee to purchase 2015 Authority Bonds at a purchase price (excluding accrued interest) less than the par amount of such 2015 Authority Bonds pursuant to Section 4.03(b) or 4.05 of the Trust Agreement, the Successor Agency shall deliver to the Trustee a Certificate of the Successor Agency requesting such action and identifying the maturity date of 2015 Authority Bonds to be so redeemed, surrendered or purchased (and, in the case of 2015 Authority Bonds that are term bonds, the corresponding Mandatory Sinking Account Payment Date).

(e) If the Successor Agency is not in default in the payment of the 2015 Series A TOT Loan, the Successor Agency may request that the Authority, at any time there is on deposit with the trustee for the 2015 Authority Bonds moneys or securities in the amount necessary to pay or redeem all 2015 Authority Bonds Outstanding (as provided in Article IX of the Trust Agreement), apply such moneys or securities to pay or redeem all Outstanding 2015 Authority Bonds, and the Successor Agency, and the Trustee at the reasonable request of the Successor Agency, shall take such action as necessary or appropriate to assist the Authority to discharge the entire indebtedness on all 2015 Authority Bonds Outstanding in accordance with the terms of the Trust Agreement.

(f) Notwithstanding anything of the foregoing, the Successor Agency shall have the right to rescind any request for the optional redemption of 2015 Authority Bonds by a written notice of rescission. Any notice of optional redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the 2015 Authority Bonds then called for redemption. Neither such cancellation nor lack of available funds shall constitute an Event of Default under this Loan Agreement. In such event, the Successor Agency shall cause the trustee for the 2015 Authority Bonds to send notices of rescission in accordance with Section 34.03(c) of the Trust Agreement.

SECTION 33.02 Defeasance of 2015 Series A TOT Loan. The Successor Agency shall also have the right, at any time or from time to time, to prepay all or any portion of the 2015 Series A TOT Loan pursuant Section 9.01 of the Loan Agreement.

ARTICLE XXXIV MISCELLANEOUS PROVISIONS

SECTION 34.01 Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the 2015 Series A Continuing Disclosure Agreement. Notwithstanding any other provision of the Loan Agreement to the contrary, failure of the Successor Agency to comply with the 2015 Series A Continuing Disclosure Agreement shall not be considered an Event of Default under the Loan Agreement;

provided, however, that the Trustee, at the written request of any Participating Underwriter (as that term is defined in the 2015 Series A Continuing Disclosure Agreement) or the Holders (as defined in the Trust Agreement) of at least 25 percent aggregate principal amount of 2015 Series A Bonds shall (but only to the extent funds in amount satisfactory to the Trustee have been provided to it or it has been otherwise indemnified to its satisfaction), or any Holder or Beneficial Owner of a 2015 Series A Bond may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section. For purposes of this Section, "Beneficial Owner" means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any 2015 Series A Bonds (including persons holding 2015 Series A Bonds through nominees, depositories or other intermediaries).

SECTION 34.02 Additional Covenants. So long as the 2015 Bond Insurance Policy remains in full force and effect and the 2015 Bond Insurer has not defaulted with respect to its payment obligations thereunder, the Successor Agency and the Trustee, as applicable, shall comply with the following additional covenants:

- (a) **[to come]**
- (b)
- (c)

Notwithstanding any of the foregoing, all rights of the 2015 Bond Insurer to direct or consent to actions of the Successor Agency or the Trustee under the Loan Agreement shall be suspended during any period in which the 2015 Bond Insurer is in default with respect to its payment obligations under the 2015 Bond Insurance Policy (except to the extent of amounts previously paid by the 2015 Bond Insurer and due and owing to the 2015 Bond Insurer) and shall be of no force or effect in the event the 2015 Bond Insurance Policy is no longer in effect or the 2015 Bond Insurer asserts that the 2015 Bond Insurance Policy is not in effect.

SECTION 34.03 2015 Bond Insurer as Third Party Beneficiary. Notwithstanding any provision to the contrary in the Loan Agreement, so long as the 2015 Bond Insurance Policy remains in full force and effect and the 2015 Bond Insurer has not defaulted with respect to its payment obligations thereunder, the 2015 Bond Insurer shall be a third party beneficiary to the Loan Agreement.

SECTION 34.04 Terms of 2015 Series A TOT Loan Subject to the Loan Agreement. Except as expressly provided in this Seventh Supplemental Loan Agreement, every term and condition contained in the Loan Agreement shall apply to this Seventh Supplemental Loan Agreement and to the 2015 Series A TOT Loan with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Seventh Supplemental Loan Agreement.

This Seventh Supplemental Loan Agreement and all the terms and provisions herein contained shall form part of the Loan Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Loan Agreement. The Loan Agreement is

hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

SECTION 34.05 Effective Date of Seventh Supplemental Loan Agreement. This Seventh Supplemental Loan Agreement shall take effect upon its execution and delivery.

SECTION 34.06 Execution in Counterparts. This Seventh Supplemental Loan Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Seventh Supplemental Loan Agreement by their officers thereunto duly authorized as of the day and year first written above.

**SUCCESSOR AGENCY TO THE SOUTH
TAHOE REDEVELOPMENT AGENCY**

By: _____
Executive Director

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

By: _____
Authorized Officer

amended by Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code (as so amended, the "Law"), and (iii) a Master Transient Occupancy Tax Loan Agreement, dated as of November 1, 1995, by the Former Agency and First Interstate Bank of California, as prior trustee, as amended and supplemented, including by the Seventh Supplemental Loan Agreement (as the same may be amended or supplemented from time to time in accordance to the terms thereof, the "TOT Loan Agreement"). The 2015 Series A TOT Note is secured in accordance with the terms and conditions of the TOT Loan Agreement. Reference is hereby made to the TOT Loan Agreement and the Law for: (i) a description of the terms on which the 2015 Series A TOT Loan is made by the Successor Agency, (ii) the provisions regarding the nature and extent of the security provided for the 2015 Series A TOT Loan and of the nature, extent and manner of enforcement of such security, and (iii) a statement of the rights of the registered owners of the 2015 Series A TOT Note. All the terms of the TOT Loan Agreement and the Law are hereby incorporated herein and constitute a contract between the Successor Agency and the registered owner from time to time of this 2015 Series A TOT Note. By his or her acceptance hereof, the registered owner of this 2015 Series A TOT Note consents and agrees to all the provisions of the TOT Loan Agreement and the Law. Each registered owner hereof shall have recourse to all the provisions of the Law and the TOT Loan Agreement and shall be bound by all the terms and conditions thereof. All capitalized terms not otherwise defined herein have the meanings ascribed to them in the TOT Loan Agreement.

The 2015 Series A TOT Loan was incurred to provide funds to aid the refinancing of certain costs of the Project relating to Redevelopment Project Area No. 1, a duly adopted redevelopment project in the City of South Lake Tahoe, California (the "City"), as more particularly described in the TOT Loan Agreement.

The 2015 Series A TOT Loan is secured by a pledge of, and charge and lien upon, certain revenues defined as "TOT Revenues" levied and collected by the Successor Agency. The 2015 Series A TOT Loan is a special obligation of the Successor Agency and is payable, as to interest thereon, principal thereof and any premiums upon the prepayment thereof, exclusively from the TOT Revenues and other amounts pledged therefor under the TOT Loan Agreement. The Successor Agency is not obligated to pay the 2015 Series A TOT Loan except from such TOT Revenues and amounts pledged therefor under the TOT Loan Agreement. The TOT Revenues and the other amounts pledged under the TOT Loan Agreement constitute a trust fund for the security and payment of the interest on and principal of and redemption premiums, if any, on the 2015 Series A TOT Loan.

The 2015 Series A TOT Loan is subject to prepayment as provided in the TOT Loan Agreement.

For the payment of the interest on and principal of and prepayment premium, if any, on the Loans when due, there has been created and will be maintained by the Trustee, a TOT Special Fund into which TOT Revenues shall be deposited pursuant to the TOT Loan Agreement. The Successor Agency covenants under the TOT Loan Agreement to pay promptly when due the interest on and principal of and prepayment premium, if any, on the 2015 Series A TOT Loan and all the other Loans incurred by the Successor Agency under the TOT Loan

Agreement out of the TOT Special Fund, all in accordance with the terms and provisions set forth in the TOT Loan Agreement.

The 2015 Series A TOT Loan is being incurred to prepay [all][a portion] of the remaining outstanding principal amount of the Transient Occupancy Tax Loan, 2005 Series A TOT Loan (the "2007 Series A TOT Loan"), previously incurred under the TOT Loan Agreement. There has [also] been previously incurred, under the TOT Loan Agreement, a Transient Occupancy Tax Loan, 2007 Series A TOT Loan (the "2007 Series A TOT Loan") and a Transient Occupancy Tax Loan, 2014 Series A TOT Loan (the "2014 Series A TOT Loan") which rank equally as to security to the 2015 Series A TOT Loan. Additional loans payable from the TOT Revenues which will rank equally as to security with [the portion of the 2005 Series A TOT Loan which will remain Outstanding after the incurrence of the 2015 Series A TOT Loan,] the 2007 Series A TOT Loan, the 2014 Series A TOT Loan and the 2015 Series A TOT Loan, may be incurred subject to terms and conditions set forth in the TOT Loan Agreement. The 2015 Series A TOT Loan and all other loans heretofore or hereafter incurred under the TOT Loan Agreement are collectively referred to herein as the "Loans." This 2015 Series A TOT Note together with all other notes heretofore or hereafter issued under the TOT Loan Agreement are collectively referred to herein as the "Notes."

The 2007 Series A TOT Loan, the 2014 Series A TOT Loan and the 2015 Series A TOT Loan have been designated TOT/TA Loans under the TOT Loan Agreement. Pursuant to the Loan Agreement, any deposit of moneys into the Interest Account and the Principal Account (each an account in the TOT Special Fund) with respect to a TOT/TA Loan, as required in the TOT Loan Agreement, shall also be deemed to be a payment with respect to such TOT/TA Loan under the TA Loan Agreement, to the extent such deposit or deposits are applied to pay such TOT/TA Loan.

If an Event of Default (within the meaning of Article VIII of the TOT Loan Agreement) shall occur, the principal of all Loans may be declared due and payable upon the conditions, in the manner and with the effect provided in the TOT Loan Agreement; except that the TOT Loan Agreement provides that in certain events such declaration and its consequences may be rescinded by the registered owners of at least 25 percent in aggregate principal amount of the Notes then outstanding.

The 2015 Series A TOT Note is issued only in the form of a fully registered note. The holder of this 2015 Series A TOT Note may surrender the same (together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such registered owner's duly authorized attorney) at the office of the Trustee in Los Angeles, California, in exchange for an equal principal amount of fully registered 2015 Series A TOT Note, in the manner, subject to the conditions and upon the payment of the charges provided in the TOT Loan Agreement.

This 2015 Series A TOT Note may be transferred only in accordance with the terms and conditions of the TOT Loan Agreement.

In addition, this 2015 Series A TOT Note is transferable only on a register to be kept for that purpose at the above-mentioned office of the Trustee by the registered owner hereof in

person or by such registered owner's duly authorized attorney upon payment of the charges provided in the TOT Loan Agreement, if any, and upon surrender of this 2015 Series A TOT Note together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such registered owner's duly authorized attorney, and thereupon a new fully registered 2015 Series A TOT Note in the same aggregate principal amount will be issued to the transferee in exchange therefor. The Successor Agency and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the interest hereon and principal hereof and for all other purposes, whether or not the 2015 Series A TOT Loan shall be overdue, and neither the Successor Agency nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of the 2015 Series A TOT Loan shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on the 2015 Series A TOT Loan to the extent of the sum or sums so paid. The rights and obligations of the Successor Agency and of the registered owners of this 2015 Series A TOT Note may be amended at any time in the manner, to the extent and upon the terms provided in the TOT Loan Agreement, but no such amendment shall (1) extend the maturity of the 2015 Series A TOT Loan, or reduce the interest rate hereon, or otherwise alter or impair the obligation of the Successor Agency to pay the interest hereon or principal hereof or any premium payable on the redemption hereof at the time and place and at the rate and in the currency provided herein, without the express written consent of the registered owner of this 2015 Series A TOT Note, or (2) permit the creation by the Successor Agency of any mortgage, pledge or lien upon the TOT Revenues superior to the pledge and lien created in the TOT Loan Agreement for the benefit of the 2015 Series A TOT Note except as permitted by the TOT Loan Agreement or (3) reduce the percentage of Notes required for the written consent to an amendment of the TOT Loan Agreement, or (4) modify any rights or obligations of the Trustee without its prior written assent thereto; all as more fully set forth in the TOT Loan Agreement.

The 2015 Series A TOT Loan is not a debt of the City, the State of California (the "State") or any of political subdivision thereof (except for the Successor Agency). None of the City, the State nor any political subdivision thereof (except for the Successor Agency) is liable for repayment on the 2015 Series A TOT Loan. In no event shall the 2015 Series A TOT Loan or any interest thereon or any redemption premium thereon be payable out of any funds or properties other than those of the Successor Agency. The 2015 Series A TOT Loan does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the members of the Successor Agency nor any persons executing this 2015 Series A TOT Note shall be personally liable on the 2015 Series A Loan or this 2015 Series A TOT Note by reason of the issuance of this 2015 Series A TOT Note.

This 2015 Series A TOT Note shall not be entitled to any benefits under the TOT Loan Agreement or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been signed by the Trustee.

It is hereby certified that all of the acts, conditions and things required to exist, to have happened or to have been performed precedent to and in the issuance of this 2015 Series A TOT Note do exist, have happened and have been performed in due time, form and manner as required by law and that the amount of the 2015 Series A TOT Loan, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Constitution or laws of the

State, and is not in excess of the amount of Loans permitted to be incurred by the Successor Agency under the TOT Loan Agreement.

IN WITNESS WHEREOF, the Successor Agency has caused this 2015 Series A TOT Note to be executed in its name and on its behalf by the facsimile signature of its Executive Director and countersigned by the facsimile signature of its Secretary, and has caused this 2015 Series A TOT Note to be dated as of the original issue date specified above.

**SUCCESSOR AGENCY TO THE SOUTH
TAHOE REDEVELOPMENT AGENCY**

By _____
Executive Director

Attest:

Secretary

[CERTIFICATE OF AUTHENTICATION]

This is the 2015 Series A TOT Note described in the within-mentioned TOT Loan Agreement which has been authenticated on _____, 20__.

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

By _____
Authorized Signatory

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[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto _____ the within the 2015 Series A TOT Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within 2015 Series A TOT Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Bond: The signature to this Assignment must correspond with the name as written on the face of the 2015 Series A TOT Note in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed: _____

Notice: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

SCHEDULE A

<u>Payment Date</u>	<u>Principal Amount</u>	<u>Interest Payment</u> ⁽¹⁾⁽²⁾	<u>Payment Date</u>	<u>Principal Amount</u>	<u>Interest Payment</u> ⁽¹⁾⁽²⁾
4/1/2016			4/1/2026		
10/1/2016			10/1/2026		
4/1/2017			4/1/2027		
10/1/2017			10/1/2027		
4/1/2018			4/1/2028		
10/1/2018			10/1/2028		
4/1/2019			4/1/2029		
10/1/2019			10/1/2029		
4/1/2020			4/1/2030		
10/1/2020			10/1/2030		
4/1/2021			4/1/2031		
10/1/2021			10/1/2031		
4/1/2022			4/1/2032		
10/1/2022			10/1/2032		
4/1/2023			4/1/2033		
10/1/2023			10/1/2033		
4/1/2024			4/1/2034		
10/1/2024			10/1/2034		
4/1/2025			4/1/2035		
10/1/2025			10/1/2035		

- (1) The principal and interest payments on the 2015 Series A TOT Loan correspond with the principal and interest payments on the 2015 Authority Bonds.
- (2) If the Successor Agency prepays any portion of the outstanding principal amount of the 2015 Series A TOT Loan pursuant to Article XXXIII of the TOT Loan Agreement, the interest payments shall be recalculated by the Successor Agency based on the applicable interest rates.