

OVERSIGHT BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 06 – 2020

Adopted September 28, 2020

**APPROVING AN AMENDMENT TO THE RECOGNIZED OBLIGATION PAYMENT
SCHEDULE FOR JANUARY 1, 2021 TO JUNE 30, 2021 (“ROPS 20-21”) FOR THE
SUCCESSOR AGENCY**

WHEREAS, The Successor Agency to the Redevelopment Agency of the City and County of San Francisco, commonly known as the Office of Community Investment and Infrastructure (“OCII”), assumed certain obligations under the Redevelopment Dissolution Law, Cal. Health & Safety Code § 34170 *et seq.*, to implement the enforceable obligations of the Redevelopment Agency of the City and County of San Francisco (“Former Agency”); and,

WHEREAS, Among OCII’s enforceable obligations are two long-term development agreements requiring private and public parties to, among other things, construct significant amounts of public improvements for which the Former Agency was obligated to reimburse those parties for the cost of construction. See Disposition and Development Agreement (Candlestick Point and Phase 2 of the Hunters Point Shipyard), date June 3, 2010, by and between the Former Agency and CP Development Co., LP. (“CP-HPS2 DDA”); Transbay Redevelopment Project Implementation Agreement, executed March 14, 2006, by and between the Former Agency and the Transbay Joint Powers Authority (“Transbay Implementation Agreement”) (together the “Development Agreements”); and,

WHEREAS, The CP-HPS2 DDA includes a Financing Plan requiring OCII to use net available increment to pay or reimburse the costs of contractual obligations. CP-HPS2 DDA, Exhibit H, Financing Plan, § 3.2 (b) (“After paying or setting aside amounts needed for debt service due on Tax Allocation Debt secured by or payable from Shipyard [Candlestick]¹ Net Available Increment during the Agency Fiscal Year, the Agency will use Shipyard [Candlestick] Net Available Increment to reimburse Developer’s Qualified Shipyard [Candlestick] Project Costs pursuant to this Financing Plan.”). The Transbay Implementation Agreement requires OCII to comply with the Transbay Pledge, described below. Transbay Implementation Agreement, § 2.1 (c) (“The Agency agrees that it is subject to and accepts the terms of the Tax Increment Allocation and Sales Proceeds Pledge Agreement.”); and,

WHEREAS, The Development Agreements rely on financing mechanisms that allocate property tax revenues over time and that depend on future growth in these revenues to finance the costs of these enforceable obligations. Each of the Development Agreements incorporate agreements that irrevocably pledge net available tax increment to reimbursing the costs of construction required under the Development Agreements. See Tax Increment Allocation Pledge Agreement (Candlestick Point and Phase 2 of the Hunters Point Shipyard), dated June 3, 2010, by and between the City and County of San Francisco and the Former Agency, with CP Development Co., LP as an intended third-party beneficiary (“CP-HPS2 Pledge”); Transbay Redevelopment Project Tax Increment Allocation and Sales Proceeds

¹ The CP-HPS2 Financing Plan contains similar language committing Candlestick increment, § 3.3 (b) and Shipyard increment.

Pledge Agreement, dated Jan. 31, 2008, by and between the City and County of San Francisco, the Former Agency, and the Transbay Joint Powers Authority (“Transbay Pledge”) (together the “Pledge Agreements”); and,

WHEREAS, The Pledge Agreements direct OCII to collect and retain net tax increment for the indebtedness created under the Development Agreements and the Pledge Agreements. E.g. Transbay Pledge, § 2 (requiring that “all property tax increment revenues attributable to [formerly State-owned parcels] and any interest thereon, are hereby irrevocably pledged to the [Transbay Joint Powers] Authority for costs associated with construction and design of the Transbay Terminal Project, and further agree[ing] that such revenues shall not be subject to any other indebtedness”); CP-HPS2 Pledge, § 1 (“The Parties intend that all Net Available Increment generated in the Project Site shall be irrevocably pledged to finance or refinance Qualified Project Costs, all in accordance with the terms and conditions of the Financing Plan.”). In addition, the Transbay Pledge authorizes the Transbay Joint Power Authority (“TJPA”) to “bond or pledge [tax increment] revenues as security, use them as cash, loan repayments, or for any other purpose of the Transbay Terminal Project,” Transbay Pledge, § 1; and,

WHEREAS, After dissolution of the Former Agency, OCII requested that the California Department of Finance (“DOF”) finally and conclusively determine that the Development Agreements and the Pledge Agreements are enforceable obligations under Redevelopment Dissolution Law, Cal. Health & Safety Code § 34177.5 (i) (authorizing final and conclusive determinations where an “enforceable obligation provides for an irrevocable commitment of revenue . . . where allocation of such revenues is expected to occur over time”); and,

WHEREAS, DOF issued final and conclusive determinations that the Development Agreements and Pledge Agreements were enforceable obligations under Redevelopment Dissolution Law. See Letter, S. Szalay, DOF Local Government Consultant, to T. Bohee, Executive Director (Dec. 14, 2012) (approving CP-HPS2 DDA and CP-HPS2 Pledge); Letter, S. Szalay, DOF Local Government Consultant, to T. Bohee, Executive Director (April 15, 2012) (approving TB Implementation Agreement and Transbay Pledge) (together the “Final and Conclusive Determinations”); and,

WHEREAS, In reliance on the Final and Conclusive Determinations that the Development Agreements and Pledge Agreements are enforceable obligations, OCII and its public and private partners have made substantial progress in implementing the Development Agreements but significant amounts of outstanding indebtedness remain and are listed in the ROPS 20-21; and,

WHEREAS, On January 27, 2020, OCII submitted its ROPS 20-21, identifying significant amounts of total outstanding debts or obligations related to the Development Agreements and estimating projected amounts for pledged property tax that could be used to cover those obligations. OCII requested that DOF approve OCII’s receipt of the tax increment, under the Pledge Agreements, but the actual amounts of property taxes were not known at the time of submission and therefore OCII estimated the amounts for July 2020 to December 2020 (“ROPS 20-21A”) and for January 2021 to June 2021 (“ROPS 20-21B”); and,

WHEREAS, On April 15, 2020, DOF approved OCII's ROPS 20-21; and,

WHEREAS, In August 2020, the Assessor's Office finalized the 20-21 property tax roll and determined the actual amounts of property tax revenues subject to the Pledge Agreements. OCII seeks to amend ROPS 20-21 for the authority to receive and expend additional property tax revenue that is necessary to pay outstanding indebtedness of the Transbay and CP-HPS2 projects; and,

WHEREAS, Section 34177 (o) (1) of the Health and Safety Code states that, once per Recognized Obligation Payment Schedule period, and no later than October 1, a successor agency may submit one amendment to the previously approved ROPS pursuant, if the Oversight Board makes a finding that a revision is necessary for the payment of approved enforceable obligations during the second one-half of the ROPS period, which shall be defined as January 1 to June 30, inclusive; and,

WHEREAS, The TJPA has requested payment of \$31,860,189.00 for fiscal year 2020-2021 based on the Transbay Pledge's irrevocable pledge of "all property tax increment revenues attributable to [former state-owned parcels] for costs associated with the construction and design of the Transbay Terminal Project;" Transbay Pledge, § 2. In a letter dated September 4, 2020, TJPA explains that the capital budget for the first phase of the Transbay Terminal Project is \$2.259 billion and for the second phase is \$4 billion and that it has issued \$271 million in tax allocation bonds ("Transbay Bonds"), as permitted under the Transbay Pledge, to cover some of these costs. TJPA Letter, E. Roseman to B. Mawhorter (September 4, 2020) at page 3, attached as Exhibit B. The total amount outstanding on the Transbay Bonds is \$498,839,117.57; and,.

WHEREAS, The Transbay Bonds Indenture (attached as Tab 5 to Exhibit B) for the Transbay Bonds requires that Pledged Revenues must be immediately deposited into "the Debt Service Fund including as pursuant to the Irrevocable Instruction Letter." Indenture, § 4.02. Pledged Revenues means "all Net Tax Increment to which the [TJPA] is entitled under the [Transbay] Pledge Agreement." Indenture, § 1.02. On June 25, 2020, the TJPA issued the Irrevocable Instruction Letter to the Successor Agency, attached as Tab 6 to Exhibit B. Of the Pledged Revenue requested by the TJPA, \$15,890,032.32 is required for debt service payments on October 1, 2020 and April 1, 2021 and \$15,970,156.68 is for payment of a mandatory redemption obligation for outstanding Subordinate Turbo Bonds TJPA Letter, E. Roseman to B. Mawhorter (September 4, 2020) at page 2, attached as Exhibit B; and

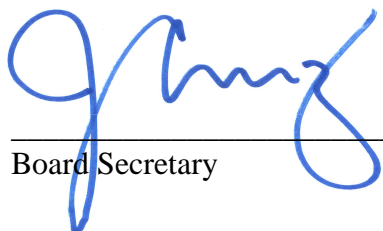
WHEREAS, CP Development Co., LLC, the developer of the CP-HPS2 project, requests payment for eligible project costs that have been incurred to date and identified as \$51,741,842 in the invoice attached as Exhibit C to this Resolution as CP-HPS2 Reimbursement Request (June 19, 2019). These eligible project costs are Pre-Agreement Costs that were incurred before the CP-HPS2 DDA was executed and that are required to be reimbursed under the CP-HPS2 DDA and CP-HPS2 Pledge. The Successor Agency has already paid \$1,629,875.05 against this invoice, leaving a remaining liability of \$50,111,966.95; and

WHEREAS, The amendments to ROPS 20-21 for the period January 1, 2021 to June 30, 2021 are attached to this resolution as Exhibit A, and are fully incorporated in this resolution. Exhibit A also identifies the enforceable obligation with which the specific amendments are associated; and,

WHEREAS, Approval of the amendment to ROPS 20-21 is a government fiscal activity that does not constitute a “Project” pursuant to the California Environmental Quality Act (“CEQA”) Guidelines Section 15378(b)(4), and, therefore, is not subject to environmental review under CEQA; now, therefore, be it

RESOLVED, That this Oversight Board finds that the amendments to ROPS 20-21 are necessary for the payment of approved enforceable obligations during the second one-half of ROPS 20-21, approves the amendment to ROPS 20-21, including the Administrative Budget for the Successor Agency, and directs the Executive Director or her designee to take such actions as may be necessary to submit the amendments to ROPS 20-21 to the City Controller and Department of Finance, to post the amendments to ROPS 20-21 on the internet website of the Oversight Board, and to take any other actions appropriate to comply with the Redevelopment Dissolution Law’s requirements relating to the ROPS.

I hereby certify that the foregoing resolution was adopted by the Oversight Board at its meeting of September 28, 2020.



Board Secretary

Exhibit A: San Francisco City and County Recognized Obligation Payment Schedule 20-21 Amended – ROPS Detail
Exhibit B: TJPA Letter, E. Roseman to B. Mawhorter (September 4, 2020)
Exhibit C: CP-HPS2 Reimbursement Request (June 19, 2019)

Exhibit A

San Francisco City and County ROPS 2020-21 Amended

Item #	Obligation Name	Obligation Type	Total Outstanding Balance	AUTHORIZED AMOUNTS						REQUESTED ADJUSTMENTS						
				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Total Authorized	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Total Adjusted	Notes
	TOTAL		\$28,985,735,535.00	-	\$9,712,276.00	\$8,940,184.00	\$126,543,297.00	-	\$145,195,757.00	-		-	\$12,837,955.00	-	\$12,837,955.00	
1	Agency Admin Operations	Admin Costs	\$6,013,285.00	-	-	-	-	-	-	-	-	-	-	-	-	
7	Agency Admin Operations	Miscellaneous	\$17,424,237,070.00	-	-	-	-	-	-	-	-	-	-	-	-	
9	Agency Admin Operations	Miscellaneous	\$13,507,084.00	-	-	-	-	-	-	-	-	-	-	-	-	
12	LMIHF Loan Repayment per former SFRA Resolution No. 25-2010	SERAF/ERAF	\$4,668,992.00	-	-	-	\$1,772,608.00	-	\$1,772,608.00	-	-	-	-	-	-	
17	College Track	Miscellaneous	\$4,700,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
20	Ground Lease Agreement - Cala Foods - 345 Williams Street	Property Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	HPS Phase 1 DDA	OPA/DDA/Construction	\$26,330,200.00	-	-	-	-	-	-	-	-	-	-	-	-	
22	Letter Agreement	Project Management Costs	\$13,944,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
23	Interagency Cooperative Agreement-HPS	Project Management Costs	\$546,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
24	Interagency Cooperative Agreement-HPS	Project Management Costs	\$196,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
25	Consulting Contract	Professional Services	\$4,876,208.00	-	-	-	-	-	-	-	-	-	-	-	-	
26	HPS Phase 1 DDA-Community Benefits Agreement	OPA/DDA/Construction	\$969,315.00	-	-	-	-	-	-	-	-	-	-	-	-	
30	HPS Phase 2 DDA	OPA/DDA/Construction	\$3,220,952,596.00	-	-	-	-	-	-	-	-	-	-	-	-	
31	Consulting Services	Professional Services	\$1,000,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
32	Legal Services Contract	Professional Services	\$500,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
33	Interagency Cooperative Agreement-HPS	Project Management Costs	\$1,504,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
34	Interagency Cooperative Agreement-HPS	Project Management Costs	\$8,000,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
35	Interagency Cooperative Agreement-HPS	Project Management Costs	\$30,864,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
36	Interagency Cooperative Agreement-HPS	Project Management Costs	\$960,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
37	Interagency Cooperative Agreement-HPS	Project Management Costs	\$6,400,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
39	Transportation Plan Coordination	Project Management Costs	\$4,080,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
41	Legal Service Contact	Professional Services	\$1,171,888.00	-	-	-	-	-	-	-	-	-	-	-	-	
42	Legal Services Contract	Professional Services	\$6,133,328.00	-	-	-	-	-	-	-	-	-	-	-	-	
43	State Lands Staff Reimbursement	Project Management Costs	\$400,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
44	State Parks Staff Reimbursement	Project Management Costs	\$352,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
48	Financial Services	Professional Services	\$960,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
49	Phase 2 DDA & Tax Increment Allocation Pledge Agreement	OPA/DDA/Construction	\$3,106,347,734.00	-	-	-	\$475,246.00	-	\$475,246.00	-	-	-	\$2,076,224.00	-	\$2,076,224.00	Increase to reflect finalized property tax roll received in August 2020
50	EDA Grant Agreement	Miscellaneous	\$5,631,677.00	-	-	-	-	-	-	-	-	-	-	-	-	
62	HPS Building 101 Stabilization/Improvements	Improvement/Infrastructure	\$5,631,677.00	-	-	\$2,930,561.00	\$325,618.00	-	\$3,256,179.00	-	-	-	-	-	-	
72	CAL ReUSE	Remediation	\$15,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
75	Conveyance Agreement between the US Government and the Agency	Miscellaneous	\$50,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
76	Property Management	Property Maintenance	\$160,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
77	Lease for Building 606 to SFPD	Miscellaneous	\$2,124,000.00	-	-	-	-	-	-	-	-	-	-	-	-	

San Francisco City and County ROPS 2020-21 Amended

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78	Lease Between the US Government and	Miscellaneous	\$2,361,150.00	-	-	-	-	-	-	-	-	-	-	-	-	
79	Consulting Contract	Professional Services	\$5,686,496.00	-	-	-	-	-	-	-	-	-	-	-	-	
84	Mission Bay North Owner Participation Agreement	OPA/DDA/Construction	\$42,318,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
85	Mission Bay North CFD #4	Miscellaneous	\$19,500,000.00	-	\$3,633,025.00	-	-	-	\$3,633,025.00	-	-	-	-	-	-	
86	Tax Increment Allocation Pledge Agreement	OPA/DDA/Construction	\$42,318,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
87	Mission Bay South Owner Participation Agreement	OPA/DDA/Construction	\$332,421,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
88	Tax Increment Allocation Pledge Agreement	OPA/DDA/Construction	\$332,421,000.00	-	-	-	\$18,280,404.00	-	\$18,280,404.00	-	-	-	-	-	-	
89	Mission Bay Agency Costs Reimbursements	Project Management Costs	\$6,500,000.00	-	-	-	\$406,250.00	-	\$406,250.00	-	-	-	-	-	-	
90	Harris-DPW Contract	Project Management Costs	\$3,000,000.00	-	-	-	\$225,000.00	-	\$225,000.00	-	-	-	-	-	-	
91	Mission Bay Art Program	Professional Services	\$1,124,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
92	Owner Participation Agreement - 72 Townsend Street	OPA/DDA/Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	
101	Contract for design services for Folsom Street	Professional Services	\$263,706.00	-	-	-	-	-	-	-	-	-	-	-	-	
102	Tax Increment Sales Proceeds Pledge Agreement (Tax Increment)	OPA/DDA/Construction	\$1,065,000,000.00	-	-	-	\$10,549,230.00	-	\$10,549,230.00	-	-	-	\$10,761,731.00	-	\$10,761,731.00	Increase to reflect finalized property tax roll received in August 2020
105	Implementation Agreement	OPA/DDA/Construction	\$102,100,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
107	Streetscape and Open Space Improvements for Folsom	Project Management Costs	\$8,777,704.00	-	-	-	-	-	-	-	-	-	-	-	-	
108	Streetscape and Open Space Improvements	Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	
109	Implementation Agreement Legal Review	Legal	\$500,000.00	-	-	-	\$5,000.00	-	\$5,000.00	-	-	-	-	-	-	
115	Transbay Projections, Planning, Outreach, and Analysis	Professional Services	\$759,970.00	-	-	\$50,000.00	\$295,202.00	-	\$345,202.00	-	-	-	-	-	-	
118	Fillmore Heritage Center	Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	
119	Fillmore Heritage Center	Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	
123	Disposition and Development Agreement - Fillmore Heritage Center	OPA/DDA/Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	
124	Ground Lease - Commercial Parcel - Fillmore Heritage Center	Property Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	
125	Reciprocal Easement Agreement - Fillmore Heritage Center	Property Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	
126	Fillmore Heritage Center	Property Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	
127	Tenant Improvement Loan - Yoshi's	Third-Party Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	
128	Tenant Improvement Loan - Food For Soul	Third-Party Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	
129	Working Capital Loan - Food For Soul	Third-Party Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	
130	Tenant Improvement Loan - Sheba Lounge	Third-Party Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	
131	Tenant Improvement Loan - Sheba Lounge	Third-Party Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	
132	Tenant Improvement Loan - Rasselas	Third-Party Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	
133	Owner Participation Agreement - 1450 Franklin	OPA/DDA/Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	
134	Owner Participation Agreement - 1301 Divisadero	Project Management Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	
135	Disposition and Development Agreement - 1210 Scott Street	OPA/DDA/Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	
136	Easements with Covenants and Restrictions Affecting Land (ECR) - For land between Fillmore & Webster Streets	Property Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	
140	Yerba Buena Gardens Capital Improvement	Property Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	
141	Yerba Buena Gardens Property Management	Property Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	
142	Children's Creativity Museum	Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	
143	Yerba Buena Center for the Arts	Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	
144	Yerba Buena Gardens outdoor	Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	

San Francisco City and County ROPS 2020-21 Amended

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San Francisco City and County ROPS 2020-21 Amended

Item #	Obligation Name	Obligation Type	AUTHORIZED AMOUNTS							REQUESTED ADJUSTMENTS						
			Total Outstanding Balance	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Total Authorized	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Total Adjusted	Notes
321	Tax Allocation Bond Series 2009E	Bonds Issued On or Before 12/31/10	\$109,706,246.00	-	-	-	\$4,664,727.00	-	\$4,664,727.00	-	-	-	-	-	-	
345	Tax Allocation Bond Admin (ALL)	Fees	\$4,435,817.00	-	-	-	\$574,272.00	-	\$574,272.00	-	-	-	-	-	-	
348	South Beach CalBoating Loans	Third-Party Loans	\$7,764,377.00	-	-	-	-	-	-	-	-	-	-	-	-	
349	Project Related Employee Reimbursable	Project Management Costs	\$48,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
354	Interagency Cooperative Agreement-HPS	Project Management Costs	\$7,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
355	Interagency Cooperative Agreement-HPS	Project Management Costs	\$19,120,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
359	Purchase and Sale Agreement with Millenium Partners for properties associated with the 706 Mission Street/Mexican Museum Project	Property Dispositions	-	-	-	-	-	-	-	-	-	-	-	-	-	
361	CP Development Co Funds for AG Development	OPA/DDA/Constr uction	\$18,590,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
369	Site J -- Port Lease (non SBH)	Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	
370	Site K -- Port Lease (non SBH)	Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	
371	Site M-3, M-4A, S-1D -- Port Lease (non SBH)	Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	
373	Asset Management & Disposition Costs	Property Dispositions	\$503,553.00	-	-	-	\$51,633.00	-	\$51,633.00	-	-	-	-	-	-	
374	Transbay Block 8 construction funding	OPA/DDA/Constr uction	-	-	-	-	-	-	-	-	-	-	-	-	-	
376	Interagency Cooperative Agreement-HPS	Project Management Costs	\$800,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
377	HPS Phase 2 DDA-Community Benefits Agreement	Miscellaneous	\$3,000,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
378	HPS Phase 2 DDA-Community Benefits Agreement	OPA/DDA/Constr uction	\$9,500,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
380	HPS Phase 2 DDA-Community Benefits Agreement	OPA/DDA/Constr uction	\$200,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
381	HPS Infrastructure Design Review and Permitting Technical Support Contract	Professional Services	\$9,600,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
382	2011 Hotel Occupancy Tax Refunding Bonds	Bonds Issued After 12/31/10	\$22,822,000.00	-	-	\$4,003,500.00	-	-	\$4,003,500.00	-	-	-	-	-	-	
388	Transfer to MOHCD, Excess Tax-exempt bond proceeds from Series 1996B 2000A, 2001A, and 2003B for affordable housing rehabilitation	Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	
389	Tax Allocation Bond Series MBS2014A	Bonds Issued After 12/31/10	\$93,584,250.00	-	-	-	\$3,498,250.00	-	\$3,498,250.00	-	-	-	-	-	-	
391	Design and Construction of UnderRamp Park	Professional Services	\$6,185,304.00	-	-	-	-	-	-	-	-	-	-	-	-	
393	Mission Bay South Block 6 East affordable Housing Funding	OPA/DDA/Constr uction	-	-	-	-	-	-	-	-	-	-	-	-	-	
394	Mission Bay South Block 3 East Affordable Housing Funding	OPA/DDA/Constr uction	-	-	-	-	-	-	-	-	-	-	-	-	-	
395	HPS Blocks 52/54 Affordable Housing	OPA/DDA/Constr uction	\$50,013,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
396	Tax Allocation Bond Series 2014B	Bonds Issued After 12/31/10	\$30,517,804.00	-	-	-	\$2,657,755.00	-	\$2,657,755.00	-	-	-	-	-	-	
397	Tax Allocation Bond Series 2014C	Bonds Issued After 12/31/10	\$16,496,500.00	-	\$6,079,251.00	-	\$4,502,499.00	-	\$10,581,750.00	-	-	-	-	-	-	
398	Other Professional Services - HPSY P2	Project Management Costs	\$9,600,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
399	Tax Allocation Series MBN2016A	Refunding Bonds Issued After 6/27/12	\$114,123,750.00	-	-	-	\$5,187,250.00	-	\$5,187,250.00	-	-	-	-	-	-	
400	Tax Allocation Series MBS2016B	Refunding Bonds Issued After 6/27/12	\$69,158,750.00	-	-	-	\$3,193,250.00	-	\$3,193,250.00	-	-	-	-	-	-	
401	Tax Allocation Series MBS2016C	Refunding Bonds Issued After 6/27/12	\$111,167,750.00	-	-	-	\$5,220,500.00	-	\$5,220,500.00	-	-	-	-	-	-	
402	Tax Allocation Series MBS2016D	Bonds Issued After 12/31/10	\$129,462,180.00	-	-	-	\$5,665,000.00	-	\$5,665,000.00	-	-	-	-	-	-	
403	Candlestick Point Block 10a Affordable Housing	OPA/DDA/Constr uction	\$56,245,000.00	-	-	-	-	-	-	-	-	-	-	-	-	

San Francisco City and County ROPS 2020-21 Amended

Item #	Obligation Name	Obligation Type	Total Outstanding Balance	AUTHORIZED AMOUNTS						REQUESTED ADJUSTMENTS						
				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Total Authorized	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Total Adjusted	Notes
404	Candlestick Point Block 11a Affordable Housing	OPA/DDA/Construction	\$64,995,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
405	Mission Bay South Block 6 West Affordable Housing Funding	OPA/DDA/Construction	\$31,610,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
406	Transbay Block 4 Affordable Housing Funding	OPA/DDA/Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	
407	Refunding Bond Reserve Payments (All)	Bonds Issued After 12/31/10	-	-	-	-	-	-	-	-	-	-	-	-	-	
408	Tax Allocation Series 2017A Affordable Housing Bonds	Bonds Issued After 12/31/10	\$76,007,573.00	-	-	\$551,047.00	\$18,522,724.00	-	\$19,073,771.00	-	-	-	-	-	-	
409	Tax Allocation Series 2017B Transbay Bonds	Bonds Issued After 12/31/10	\$44,938,750.00	-	-	-	\$992,500.00	-	\$992,500.00	-	-	-	-	-	-	
410	Tax Allocation Series 2017C Mission Bay New Money and Refunding Housing Bonds	Bonds Issued After 12/31/10	\$50,330,277.00	-	-	\$913,000.00	\$2,241,545.00	-	\$3,154,545.00	-	-	-	-	-	-	
411	Enforceable Obligation Support	Project Management Costs	\$10,940,185.00	-	-	-	\$4,514,533.00	-	\$4,514,533.00	-	-	-	-	-	-	
412	Surety Bond Credit Program	OPA/DDA/Construction	\$750,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
413	Transbay Block 2 West Affordable Housing Funding	OPA/DDA/Construction	\$27,300,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
414	Yerba Buena Cash Accounts	Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	
415	Tax Allocation Series 2017D Housing Refunding Bonds	Bonds Issued After 12/31/10	\$110,989,363.00	-	-	-	\$13,898,606.00	-	\$13,898,606.00	-	-	-	-	-	-	
416	Transbay Block 2 East Affordable Housing Funding	OPA/DDA/Construction	\$59,150,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
417	Mission Bay South Block 9 Affordable Housing Funding	OPA/DDA/Construction	\$38,885,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
418	CDBG Program Funds for Affordable Housing	Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	
419	Mission Bay South Block 9A Affordable Housing Funding	OPA/DDA/Construction	\$79,200,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
420	HPS Block 56 Affordable Housing	OPA/DDA/Construction	\$29,200,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
421	Tax Allocation Bond Series 2017E	Bonds Issued After 12/31/10	\$26,664,775.00	-	-	-	\$672,825.00	-	\$672,825.00	-	-	-	-	-	-	
422	Professional Services CMG Design - Essex	Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	
423	Design and Construction Monitoring of Under Ramp Park	Professional Services	\$2,336,527.00	-	-	-	-	-	-	-	-	-	-	-	-	
424	Streetscape and Open Space Improvements - Essex	Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	
425	Memorandum of Understanding (MOU) to Fund Ferry Terminal	Bonds Issued After 12/31/10	\$9,643,414.00	-	-	-	-	-	-	-	-	-	-	-	-	
426	Tax Allocation Bond Series 2018A Mission Bay Housing Bond	Improvement/Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	
427	Bond Cost of Issuance	Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	
428	Mission Bay South Block 12W	OPA/DDA/Construction	\$69,200,000.00	-	-	-	-	-	-	-	-	-	-	-	-	
429	Tax Allocation Bond Series 2019A HPSY Housing Bond	Bonds Issued After 12/31/10	-	-	-	-	-	-	-	-	-	-	-	-	-	
430	Tax Allocation Bond Series 2019B HPSY Infrastructure Bond	Bonds Issued After 12/31/10	-	-	-	-	-	-	-	-	-	-	-	-	-	
431	Design monitoring and Construction of Transbay Park	Professional Services	\$6,511,400.00	-	-	-	\$637,508.00	-	\$637,508.00	-	-	-	-	-	-	
432	Streetscape Improvement Reimbursements for Folsom Streetscape	OPA/DDA/Construction	\$5,500,000.00	-	-	-	\$500,000.00	-	\$500,000.00	-	-	-	-	-	-	



TRANSBAY JOINT POWERS AUTHORITY
Nila Gonzales • Interim Executive Director

Exhibit B

September 4, 2020

Nadia Sesay
Office of Community Investment and Infrastructure
One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Email: Nadia.Sesay@sfgov.org

Re: Payment of Enforceable Obligation Under Transbay Pledge Agreement for FY 20-21

Dear Ms. Sesay:

I am writing to request that the Office of Community Investment and Infrastructure (OCII), as Successor Agency of the Redevelopment Agency of the City and County of San Francisco (“Former RDA”), transmit \$31,860,189 which is the full amount of the Former RDA’s obligation to the Transbay Joint Powers Authority (TJPA) under the Transbay Redevelopment Project Tax Increment Allocation and Sales Proceeds Pledge Agreement (“Transbay Pledge Agreement”) (ROPS Item 102) for the period July 1, 2020 – June 30, 2021. I have enclosed an invoice for the specified amount. *See* Tab 1.

As you know, this full payment is required to be deposited into a lockbox controlled by The Bank of New York Mellon Trust Company, N.A., as trustee for the repayment of the TJPA’s bonds. Every prior payment OCII has made to TJPA under the Transbay Pledge Agreement has been similarly deposited into a lockbox for the repayment of the TJPA’s debt, and there is no other source to pay this outstanding obligation.

DOF Final and Conclusive Determination - Transbay Pledge Agreement Is an Enforceable Obligation of the Former RDA

In 2013, DOF issued a final and conclusive determination that Transbay Pledge Agreement (ROPS Item 102), dated January 31, 2008, between the City and County of San Francisco (“City”), the Former RDA, and TJPA, is an enforceable obligation of the Former RDA. *See* Tab 2.

The Transbay Pledge Agreement obligates the Former RDA to provide TJPA “all property tax increment revenues attributable to [the Former State Owned Parcels] . . . for costs associated with construction and design of the Transbay Terminal Project.” *See* Tab 3 at Section 2.

The total outstanding debt or obligation of the Former RDA to TJPA under the Transbay Pledge Agreement is estimated as \$1.065 billion. *See* Tab 4 at page 2.

Indenture of Trust for TJPA Bonds

The Transbay Pledge Agreement expressly contemplates that TJPA “may bond or pledge [the property tax increment] revenues as security, use them as cash, loan repayments, or for any other purpose of the Transbay Terminal Project” *See* Tab 3 at Section 1.

In 2010, TJPA pledged all property tax increment revenues allocated to and received by the Former RDA and pledged as indebtedness to TJPA under the Transbay Pledge Agreement, to the US Department of Transportation as collateral to secure a \$171 million federal loan under the Transportation Infrastructure Finance and Innovation Act (“TIFIA Loan”).

In 2020, as contemplated by and permitted by the Transbay Pledge Agreement and TIFIA Loan, TJPA issued \$271M in tax allocation bonds (“TJPA Bonds”) to refinance the TIFIA Loan and finance certain additional costs associated with the construction and design of the Transbay Terminal Project contemplated and authorized by the terms and conditions of the Transbay Pledge Agreement.

In accordance with the Indenture of Trust, dated as of June 1, 2020, by and between the TJPA and The Bank of New York Mellon Trust Company, N.A., as trustee (“Indenture”), TJPA is required to pay principal of and interest on the TJPA Bonds under a debt service payment schedule using Pledged Revenues, which is all net tax increment the TJPA is entitled to receive from the Former RDA under the Pledge Agreement. *See* Tab 5; Tab 1 at page 2. TJPA is also required to redeem the Subordinate Turbo Bonds with available Pledged Revenues as long as the Subordinate Turbo Bonds are outstanding. *Id. See* Tab 5 at Section 2.03(b). Consistent with these requirements and the requirements of the Indenture, TJPA directed the Successor Agency to transfer all property tax increment revenues to the trustee for deposit in a debt service fund. *See* Tab 5 at Section 4.02(a); Tab 6.

TJPA is required to make debt service payments on the TJPA Bonds under the Indenture on October 1, 2020 and April 1, 2021; the total annual payment amount for FY20-21 is \$15,890,032.32. *See* Tab 1 at page 2. The mandatory turbo redemption for FY20-21 is \$15,970,156.68. *See* Tab 5 at Section 2.03(b). Thus, the total obligation is \$31,860.189.

Assuming payments as provided under the Indenture through the final maturity date, the total cost for repayment of the TJPA Bonds is \$498,839,117.57.

Thus, under the terms of the Indenture, all property tax increment revenues under the Transbay Pledge Agreement must be deposited with the Trustee for payment of debt service on the for repayment of the TJPA Bonds and, to the extent not needed to pay scheduled debt service on the TJPA Bonds, to redeem the Subordinate Turbo Bonds.

Transbay Terminal Project Capital Costs Already Incurred Are \$2.271 Billion, Which Far Exceeds the Former RDA's Debt Obligation to TJPA Under the Transbay Pledge Agreement

The Former RDA's debt obligation under the Transbay Pledge Agreement is for "costs associated construction and design of the Transbay Terminal Project." *See* Tab 3 at Section 2.

The Transbay Terminal Project is a project to replace the former Transbay Terminal located at First and Mission Streets in downtown San Francisco with a new six-level, about four block long transit center containing more than one million square feet, and extend Caltrain and future California High Speed Rail tracks underground about 1.3 miles into the transit center. The Project is phased. Construction of the first phase, the new transit center, was completed in 2018. Work on the second phase, extension of the rail tracks, is underway.

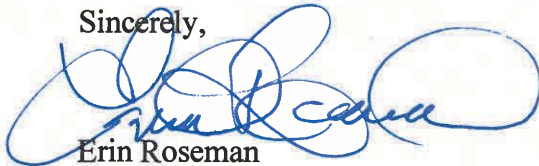
The capital budget for the first phase of the Project is \$2.259 billion. The capital budget for the second phase is \$4 billion (2016 estimate).

Through March 30, 2020, the capital expenditures inception to date for the first and second phases of the Project are \$2.271 billion. *See* Tab 7. TJPA expects to incur additional capital costs for construction and design of the Project through June 2021.

Thus, even setting aside the Indenture, if TJPA were using the property tax increment revenues under the Transbay Pledge Agreement as cash to pay costs associated with construction and design of the Project, TJPA has already incurred eligible costs well in excess of the total amount of the Former RDA's debt obligation to TJPA under the Transbay Pledge Agreement, and certainly much more than the amount of the Former RDA's debt obligation for the period July 1, 2020 – June 30, 2021.

I trust that the information in this letter is sufficient for OCII to meet its payment obligation. In the event that you or Department of Finance require any additional information or have any questions, please do not hesitate to contact me.

Sincerely,



Erin Roseman
TJPA Chief Financial Officer

cc: Nila Gonzales, Interim Executive Director
Bree Mawhorter, OCII Deputy Director - Finance/Administration

Tabs

1. a. TJPA Invoice for Enforceable Obligation under Transbay Pledge Agreement (July 1, 2020 – June 30, 2021).
b. TJPA Bonds, Annual Debt Service Schedule.
2. Letter, S. Szalay, DOF Local Government Consultant, to T. Bohee, Executive Director, Former RDA, dated April 15, 2012.
3. Tax Increment Allocation and Sales Proceeds Pledge Agreement, dated January 31, 2008, between the City, the Former RDA, and TJPA.
4. Former RDA Request for Final and Conclusive Determination, dated November 7, 2012.
5. Indenture of Trust, dated June 1, 2020 by and between Transbay Joint Powers Authority and the Bank of New York Mellon Trust Company, NA as Trustee.
6. a. Irrevocable Instruction to Pay Net Tax Increment to Trustee, E. Roseman, CFO, TJPA, to B. Mawhorter, Deputy Director of Finance and Administration, Former RDA, and The Bank of New York Mellon Trust Company, as Trustee, dated June 25, 2020.
b. Irrevocable Instruction to Pay Net Tax Increment to Trustee – Wiring Instructions, E. Roseman, CFO, TJPA, to B. Mawhorter, Deputy Director of Finance and Administration, Former RDA, dated July 16, 2020.
c. Wiring Instructions, M. Canessa, The Bank of New York Mellon to B. Mawhorter, Deputy Director of Finance and Administration, Former RDA, dated July 20, 2020.
7. TJPA Inception to Date Capital Expenditures and Funding Sources (Phases 1 and 2) as of March 30, 2020.

Tab 1



INVOICE

DATE: 8/28/2020
INVOICE #: 2021-01(FY21)

Bill To:

Office of Community Investment and Infrastructure
1 South Van Ness, 5th Floor
San Francisco, CA 94103

Attn: Ms. Bree Mawhorter, Deputy Director of Finance & Administration

DESCRIPTION	AMOUNT
In accordance with the 2008 Pledge Agreement, 2013 Final and Conclusive Determination of Enforceable Obligation, TJPA June 2020 Bond Indenture, and 2020 Irrevocable Instruction to Pay Net Tax Increment to Trustee Letter	
Net Tax Increment Due - FY20-21	
2020 Senior A	8,955,025.00
2020 Senior A-T	4,358,397.65
2020 Subordinate B	2,576,609.67
Subtotal	15,890,032.32
Mandatory Turbo Redemption	15,970,156.68
TOTAL	\$ 31,860,189.00

Remit Payment by the wiring instructions for the payment of Net Tax Increment to The Bank of New York Mellon Trust Company, N.A., as Trustee.

THE BANK OF NEW YORK MELLON

ABA# 021000018

ACCOUNT NUMBER #4780048400

ACCOUNT NAME: TRANSBAY JPA 2020 DEBT SERVICE



TRANSBAY JOINT POWERS AUTHORITY
Series 2020 Tax Allocation Bonds
Annual Debt Service

Period Ending	Senior Tax Allocation Bonds, Series 2020A (Tax-Exempt)	Senior Tax Allocation Bonds, Series 2020A-T (Federally Taxable)	Subordinate Tax Allocation Bonds, Series 2020B (Tax-Exempt)	Total	(Bond Year) Annual Total	(Fiscal Year) Annual Total	Fiscal Year
10/01/2020	4,261,400	3,977,742.40	1,642,994.67	9,882,137.07	9,882,137.07	15,890,032.32	2020-21
04/01/2021	4,693,625	380,655.25	933,615.00	6,007,895.25			
10/01/2021	4,693,625	2,295,655.25	1,483,615.00	8,472,895.25	14,480,790.50	14,447,411.75	2021-22
04/01/2022	4,693,625	361,026.50	919,865.00	5,974,516.50			
10/01/2022	4,693,625	2,316,026.50	1,494,865.00	8,504,516.50	14,479,033.00	14,443,446.25	2022-23
04/01/2023	4,693,625	339,814.75	905,490.00	5,938,929.75			
10/01/2023	4,693,625	3,089,814.75	1,655,490.00	9,438,929.75	15,377,859.50	15,327,072.00	2023-24
04/01/2024	4,693,625	307,777.25	886,740.00	5,888,142.25			
10/01/2024	4,693,625	3,852,777.25	1,821,740.00	10,368,142.25	16,256,284.50	16,190,015.00	2024-25
04/01/2025	4,693,625	264,882.75	863,365.00	5,821,872.75			
10/01/2025	8,023,625	1,294,882.75	1,993,365.00	11,311,872.75	17,133,745.50	17,009,473.50	2025-26
04/01/2026	4,610,375	252,110.75	835,115.00	5,697,600.75			
10/01/2026	8,110,375	1,307,110.75	2,020,115.00	11,437,600.75	17,135,201.50	16,999,192.00	2026-27
04/01/2027	4,522,875	233,226.25	805,490.00	5,561,591.25			
10/01/2027	8,197,875	1,323,226.25	2,050,490.00	11,571,591.25	17,133,182.50	16,990,671.50	2027-28
04/01/2028	4,431,000	213,715.25	774,365.00	5,419,080.25			
10/01/2028	8,286,000	1,348,715.25	2,084,365.00	11,719,080.25	17,138,160.50	16,988,719.00	2028-29
04/01/2029	4,334,625	193,398.75	741,615.00	5,269,638.75			
10/01/2029	8,384,625	1,368,398.75	2,111,615.00	11,864,638.75	17,134,277.50	16,977,745.00	2029-30
04/01/2030	4,233,375	172,366.25	707,365.00	5,113,106.25			
10/01/2030	8,488,375	1,387,366.25	2,147,365.00	12,023,106.25	17,136,212.50	16,972,089.00	2030-31
04/01/2031	4,127,000	150,617.75	671,365.00	4,948,982.75			
10/01/2031	8,592,000	1,410,617.75	2,186,365.00	12,188,982.75	17,137,965.50	16,965,911.50	2031-32
04/01/2032	4,015,375	128,063.75	633,490.00	4,776,928.75			
10/01/2032	8,705,375	1,428,063.75	2,223,490.00	12,356,928.75	17,133,857.50	16,953,587.50	2032-33
04/01/2033	3,898,125	104,793.75	593,740.00	4,596,658.75			
10/01/2033	8,823,125	1,454,793.75	2,258,740.00	12,536,658.75	17,133,317.50	16,941,230.00	2033-34
04/01/2034	3,775,000	77,456.25	552,115.00	4,404,571.25			
10/01/2034	8,945,000	1,482,456.25	2,302,115.00	12,729,571.25	17,134,142.50	16,932,691.25	2034-35
04/01/2035	3,645,750	49,005.00	508,365.00	4,203,120.00			
10/01/2035	9,075,750	1,509,005.00	2,348,365.00	12,933,120.00	17,136,240.00	16,924,925.00	2035-36
04/01/2036	3,510,000	19,440.00	462,365.00	3,991,805.00			
10/01/2036	9,770,000	979,440.00	2,392,365.00	13,141,805.00	17,133,610.00	16,909,420.00	2036-37
04/01/2037	3,353,500		414,115.00	3,767,615.00			
10/01/2037	10,928,500		2,439,115.00	13,367,615.00	17,135,230.00	16,895,230.00	2037-38
04/01/2038	3,164,125		363,490.00	3,527,615.00			
10/01/2038	11,114,125		2,493,490.00	13,607,615.00	17,135,230.00	16,900,650.00	2038-39
04/01/2039	2,965,375		327,660.00	3,293,035.00			
10/01/2039	11,315,375		2,522,660.00	13,838,035.00	17,131,070.00	16,895,980.00	2039-40
04/01/2040	2,756,625		301,320.00	3,057,945.00			
10/01/2040	11,521,625		2,551,320.00	14,072,945.00	17,130,890.00	16,884,765.00	2040-41
04/01/2041	2,537,500		274,320.00	2,811,820.00			
10/01/2041	11,742,500		2,579,320.00	14,321,820.00	17,133,640.00	16,875,855.00	2041-42
04/01/2042	2,307,375		246,660.00	2,554,035.00			
10/01/2042	11,972,375		2,606,660.00	14,579,035.00	17,133,070.00	16,863,125.00	2042-43
04/01/2043	2,065,750		218,340.00	2,284,090.00			
10/01/2043	12,215,750		2,633,340.00	14,849,090.00	17,133,180.00	16,850,450.00	2043-44
04/01/2044	1,812,000		189,360.00	2,001,360.00			
10/01/2044	12,467,000		2,664,360.00	15,131,360.00	17,132,720.00	16,836,645.00	2044-45
04/01/2045	1,545,625		159,660.00	1,705,285.00			
10/01/2045	12,735,625		2,694,660.00	15,430,285.00	17,135,570.00	16,825,400.00	2045-46
04/01/2046	1,265,875		129,240.00	1,395,115.00			
10/01/2046	13,015,875		2,724,240.00	15,740,115.00	17,135,230.00	16,810,340.00	2046-47
04/01/2047	972,125		98,100.00	1,070,225.00			
10/01/2047	13,307,125		2,758,100.00	16,065,225.00	17,135,450.00	16,795,155.00	2047-48
04/01/2048	663,750		66,180.00	729,930.00			
10/01/2048	13,613,750		2,791,180.00	16,404,930.00	17,134,860.00	16,778,410.00	2048-49
04/01/2049	340,000		33,480.00	373,480.00			
10/01/2049	13,940,000		2,823,480.00	16,763,480.00	17,136,960.00	16,763,480.00	2049-50
	380,648,900	35,074,442.90	83,115,774.67	498,839,117.57	498,839,117.57	498,839,117.57	

Tab 2



**DEPARTMENT OF
FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

April 15, 2012

Ms. Tiffany Bohee, Executive Director
City and County of San Francisco Successor Agency
One South Van Ness Avenue, Fifth Floor
San Francisco, CA 94103

Dear Ms. Bohee:

Subject: Request for Final and Conclusive Determination

On November 7, 2012, the City and County of San Francisco Successor Agency (Agency) submitted a petition to the Department of Finance (Finance) requesting written confirmation that its determination of three enforceable obligations as approved in a Recognized Obligation Payment Schedule (ROPS) is final and conclusive. The three obligations subject of the request are all connected to the Transbay Transit Center Redevelopment Project and are specifically listed on the ROPS III (July 1, 2012 through December 31, 2012) and ROPS 13-14A (January 1, 2013 through June 30, 2013) as the following:

ROPS III Item No.	ROPS 13-14A Item No.	Project Name / Debt Obligation	Contract Execution Date
85	102	Tax Increment Sales Proceeds Pledge Agreement (Tax Increment)	1/31/2008
86	105	Implementation Agreement	1/2/2005
192	237	Affordable Housing Program funded by LMIHF for Transbay	1/20/2005

Finance has completed its review of the Agency's petition, which included obtaining clarification on items provided and additional supporting documentation. Pursuant to Health and Safety Code section 34177.5 (i), we are pleased to inform you that the approval of 102, 105, and 237 as listed on the approved ROPS 13-14A is final and conclusive. Finance's review of these obligations in a future ROPS shall be limited to confirming that the requested payments are required by the prior enforceable obligation. This final and conclusive determination is only valid for the three items listed above.

Please be advised that there may be activities included in the enforceable obligations described in this letter that are permissive that the Agency may no longer have the statutory authority to carry out. This final and conclusive determination neither grants additional authority to the Agency nor does it authorize acts contrary to law. Additionally, any amendments to the above items are not subject to this final and conclusive determination.

Ms. Tiffany Bohee
April 15, 2013
Page 2

Please direct inquiries to Justyn Howard, Assistant Program Budget Manager at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Sally Oerth, Deputy Director, City and County of San Francisco
Mr. James Whitaker, Property Manager, City and County of San Francisco
California State Controller's Office

Tab 3

TRANSBAY REDEVELOPMENT PROJECT
TAX INCREMENT ALLOCATION
AND
SALES PROCEEDS
PLEDGE AGREEMENT

THIS TRANSBAY REDEVELOPMENT PROJECT TAX INCREMENT ALLOCATION AND SALES PROCEEDS PLEDGE AGREEMENT (this "Agreement") dated as of January 31, 2008 is between the CITY AND COUNTY OF SAN FRANCISCO, a charter city (the "City"), and the REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, corporate and politic of the State of California (the "Agency"), and the TRANSBAY JOINT POWERS AUTHORITY (the "Authority") a joint powers authority duly created and organized under California Government Code Sections 6500 *et seq.* Unless otherwise defined in this Agreement, all initially capitalized terms used in this Agreement shall have the meanings given them in the Transbay Redevelopment Plan (as described in Paragraph A of the Recitals, below).

THIS AGREEMENT is made with reference to the following facts and circumstances:

A. In accordance with the Community Redevelopment Law of California (Health & Safety Code Section 33000 *et seq.*), the City, acting through its Board of Supervisors, has approved a Redevelopment Plan for the Transbay Redevelopment Project by Ordinance No. 124-05, adopted by the Board on June 21, 2005 and approved by the Mayor on June 23, 2005 and by Ordinance No. 99-06, adopted by the Board on May 9, 2006 and approved by the Mayor on May 19, 2006. The Redevelopment Plan, as it may be amended, is referred to as the "Transbay Redevelopment Plan."

B. The Transbay Redevelopment Plan provides for the redevelopment, rehabilitation and revitalization of the area generally bounded by Mission, Main, Second and Folsom Streets in downtown San Francisco, and containing approximately forty (40) acres of land, as more particularly described in such plan (the "Project Area"). The Transbay Redevelopment Plan envisions the Project Area as a mixed-use transit-oriented neighborhood comprised of approximately seven million six hundred thousand (7.6 million) square feet of residential, office, retail, hotel and public space. This development scenario includes up to three thousand four hundred (3,400) units of housing on publicly owned land, including approximately twelve-hundred (1,200) units which would be affordable to very low, low and moderate income households.

C. The Project Area is characterized by ten (10) acres of blighted and underutilized publicly owned land (the "State-Owned Parcels"), that resulted from demolition of highway ramps damaged in the 1989 Loma Prieta earthquake. Most of this land, is vacant and used for parking. The State-Owned Parcels also include the sixty-five (65) year old Transbay Terminal building and its bus access ramps. The Transbay Terminal is obsolete, and underutilized. The Agency has determined that the Transbay Terminal building and ramps are in a blighted physical condition and in need of substantial upgrades or replacement to meet seismic and safety codes. Because these structures occupy several acres of land centrally located in the Project Area, they have a primary impact on physical and economic blighting conditions in the surrounding area. Redevelopment of the Project Area in accordance with the Transbay Redevelopment Plan will require development of the State-Owned Parcels, replacement of the Transbay Terminal building, and revitalization and improvement of existing buildings, public facilities and infrastructure.

D. The Transbay Redevelopment Plan will provide numerous public benefits for the City and its residents. These public benefits include revitalization of the Project Area, which is currently blighted, the provision of substantial new affordable housing, economic development opportunities, and a variety of infrastructure, public facility, and open space improvements.

E. A major goal of the Transbay Redevelopment Plan is to stimulate private investment in the Project Area through elimination of blight, improvement of public facilities and infrastructure, and the establishment of a positive climate for private participation. The Agency intends to finance these improvements using tax increment financing and a range of other potential financing sources, including the potential establishment of a Mello-Roos Community Facilities District on the State-Owned Parcels.

F. The Authority, the City, and the State of California entered into an agreement dated July 11, 2003 (the "Cooperative Agreement"), in which the State agreed to transfer the State-Owned Parcels to the City and Authority, subject to certain restrictions. The State-Owned Parcels are identified in Exhibit A to the Cooperative Agreement.

G. The Authority intends to demolish the Transbay Terminal building and its associated ramps and construct a modern publicly-owned multimodal terminal on the same site with an underground train connection to existing rail lines terminating at 4th and Townsend Streets in San Francisco (the "Transbay Terminal Project"). Demolition of these existing structures will provide additional vacant land for development consistent with the Transbay Redevelopment Plan. The Transbay Terminal Project will help to revitalize the Project Area and stimulate private investment by serving as a center of transit, retail, entertainment, and community facilities for the new transit oriented neighborhood. The Transbay Terminal Project is a public benefit and a central part of the Transbay Redevelopment Plan.

H. City or Authority title to the State-Owned Parcels under the Cooperative Agreement is subject to a deed restriction requiring that any such parcel may be sold for development provided that the Gross Sales Proceeds, as defined below, are provided to the Authority to finance development of the Transbay Terminal Project. This deed restriction also applies to the Agency if it acquires any of the State-Owned Parcels from the City or the Authority, and is set forth in the Transbay Redevelopment Plan.

I. The Cooperative Agreement further requires that a portion of tax increment revenues attributable to the State-Owned Parcels, the Net Tax Increment, as defined below, must be provided to the Authority to finance development of the Transbay Terminal Project. This requirement is set forth in the Transbay Redevelopment Plan.

J. The Transbay Redevelopment Plan authorizes the Agency to provide financial and other assistance to public entities in the development of land, buildings, facilities, structures and other improvements that benefit the Project Area consistent with the Cooperative Agreement. Investment of Agency revenues in the Transbay Terminal Project, as set forth in the Transbay Redevelopment Plan, will help catalyze the development of underutilized properties such as the State-Owned Parcels, and eliminate their blighting influence on existing buildings in the surrounding area.

K. The City, Agency and Authority have executed an Option Agreement for the Purchase and Sale of Real Property, dated of even date herewith (the "Option

Agreement"), incorporated as though set forth fully herein, authorizing the Agency to take title to certain State-Owned Parcels, subject to limitations of the Cooperative Agreement but with no payment for land value until title is conveyed to a third party. The Option Agreement provides that the Gross Sale Proceeds and all Net Tax Increment (both as defined below) shall be provided to the Authority for the Transbay Terminal Project. The Transbay Redevelopment Project Area Implementation Agreement, between the Authority and Agency and dated as of January 20, 2005 ("Implementation Agreement"), incorporated as though set forth fully herein, provides that the Authority will develop the Transbay Terminal Project in accordance with goals and objectives of the Transbay Redevelopment Plan.

L. The City has made the findings required by Section 33445(a) of the Community Redevelopment Law that the Transbay Terminal Project will benefit the Redevelopment Project Area, that no other means of financing the Transbay Terminal Project is available without Agency funding, and that the Agency's payment of funds will assist in the elimination of blighting conditions.

M. Pursuant to the authority granted under Article XVI, Section 16 of the California Constitution and Sections 33445, 33670, 33671 and 33675 of the Community Redevelopment Law, the parties now wish to provide for the irrevocable pledge of Net Tax Increment to the Authority for development of the Transbay Terminal Project.

ACCORDINGLY, in consideration of the matters described in the foregoing recitals, the covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the City, Authority and Agency agree as follows:

1. Purpose of this Agreement. The purpose of this Agreement is to finance development of the Transbay Terminal Project in accordance with the Transbay Redevelopment Plan, including the Project Area Design for Development, the Cooperative Agreement, the Option Agreement, and the Implementation Agreement (hereafter the "Plan Documents"). The parties agree that the development of the Transbay Terminal Project pursuant to the Plan Documents is in the best interests of the City and the health, safety and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state and local laws. The parties intend that all Net Tax Increment and all Gross Sales Proceeds, both as defined below, shall be irrevocably pledged to the Authority, and that the Authority may bond or pledge those revenues as security, use them as cash, loan repayments, or for any other purpose of the Transbay Terminal Project as set forth in the Cooperative Agreement. The Agency and City acknowledge and agree that this Agreement is entered into for their benefit and for the express benefit of the Authority, that Authority is entitled to rely on this Agreement, receive benefits and revenues conferred by this Agreement and to enforce any provision of this Agreement against any party to this Agreement ; provided, however, neither the Agency nor the City shall be liable to the Authority for damages, except as provided in Section 10.2 below.

2. Pledge of Net Tax Increment For Use Of Transbay Joint Powers Authority. Pursuant to Article XVI, Section 16 of the California Constitution and Sections 33445, 33670, 33671 and 33675 of the Community Redevelopment Law, the Agency and City agree that all property tax increment revenues attributable to parcels or portions thereof acquired by the City or the Authority from the State of California pursuant to the Cooperative Agreement ("Net Tax Increment"), and any interest thereon, are hereby irrevocably pledged to the Authority for costs associated with construction and design of the Transbay Terminal Project, and further agree that such revenues shall not be

subject to any other indebtedness whether from the Transbay Redevelopment Plan or any other City or Agency obligation. However, all property tax increment revenues not considered Net Tax Increment may not be used for the Transbay Terminal Project. As used in this Agreement, the term "Net Tax Increment" means all property tax increment revenues attributable to the State-Owned Parcels, allocated to and received by Agency and pledged hereunder as indebtedness to Authority, but specifically excluding therefrom the following: (i) charges for County administrative charges, fees, or costs; (ii) the portion of the tax increment revenues that Agency is required by law to set-aside in Agency's Affordable Housing Fund, pursuant to the Community Redevelopment Law; (iii) a portion of the tax increment revenues equal to the percentage of such revenue that Agency is required to pay to all governmental entities as required by the Community Redevelopment Law; (iv) the portion of the tax increment revenues equal to the percentage of such revenues that the State may mandate Agency to pay from time to time in the future, including, for example, any payments which Agency may be required to pay to the Education Revenue Augmentation Fund pursuant to Section 33681 *et seq.* of the Community Redevelopment Law. Unless terminated as set forth in this Agreement, the City and Agency agree that their irrevocable pledge of Net Tax Increment shall remain in effect for forty-five years (45) years after the effective date of the ordinance adopting the Transbay Redevelopment Plan, provided, however, that all Net Tax Increment will revert to the City's General Fund for distribution in accordance with the Community Redevelopment Law, if the Transbay Terminal Project is terminated.

3. Pledge of Gross Sales Proceeds for Use of Transbay Joint Powers Authority. Pursuant to Article XVI, Section 16 of the California Constitution and Sections 33445, 33670, 33671 and 33675 of the Community Redevelopment Law, the Agency agrees that all Gross Sales Proceeds, and any interest thereon, are hereby irrevocably pledged to the Authority to defray costs associated with construction of the Transbay Terminal Project, and further agrees that such revenues shall not be subject to any other indebtedness whether from the Transbay Redevelopment Plan or any other City or Agency obligation. The Agency's pledge of Gross Sales Proceeds shall survive expiration or termination of the Plan Documents. As used in this Agreement, the term "Gross Sales Proceeds" means proceeds from the conveyance of all or a portion of any State-Owned Parcel listed in the Cooperative Agreement from the Agency to a third party, which proceeds are the result of Agency's good faith effort to obtain the fair market value from such third party for such State-Owned Parcel or portion thereof, in light of applicable laws.

3.1. The Agency shall deposit the Gross Sales Proceeds into the Authority Trust Account as set forth in Section III.G.1. of the Cooperative Agreement.

3.2. The Agency's pledge of Gross Sales Proceeds shall survive termination of the Cooperative Agreement. If the Cooperative Agreement has been terminated for any reason at the close of escrow, the Agency shall deposit the Gross Sales Proceeds into escrow to the order of the Authority as set forth in Section 6.1 of the Option Agreement and Section 2.1 of the Implementation Agreement.

4. Statement of Indebtedness; Covenant to Appropriate. As provided in the Community Redevelopment Law, the Agency shall submit to the City Controller a Statement of Indebtedness on an annual basis showing, among other things, the projected amount of Net Tax Increment as the Agency's indebtedness for the Transbay Redevelopment Plan for the ensuing fiscal year. Pursuant to Article XVI, Section 16 of the California Constitution and the Community Redevelopment Law, the Board of Supervisors of the City covenants to take such actions as are necessary to appropriate such legally available funds as are required to pay the Agency's indebtedness secured by the pledges described in Sections 2 and 3 of this Agreement, based on the Agency's

submission of statements of the Agency's indebtedness as provided above. Furthermore, the City shall comply with the provisions of the Community Redevelopment Law, pursuant to Health and Safety Code Section 33670 et seq., that generally entitle the Agency to all of the property tax revenues realized from growth in property values since the inception of the Transbay Redevelopment Plan to the extent that the Agency has incurred debt approved in accordance with the Community Redevelopment Law for the implementation of the Transbay Redevelopment Plan.

5. Payment of Net Tax Increment. The Agency shall provide Net Tax Increment and interest thereon, as shown on the Agency's Statement of Indebtedness, to the Authority, into such accounts as the Authority may direct, within ten (10) days of receipt from the City, without setoff or counterclaim.

5.1. In the event that the parties agree in writing to the Agency's issuance of bonded indebtedness on anticipated Net Tax Increment, proceeds from the sales of the bonds and interest thereon shall be deposited into a separate trust account and such trust account shall be segregated from all other accounts and funds of the Agency, and separate records shall be kept of all transactions associated with the segregated account. Distribution to the Authority of such proceeds and interest shall occur in whatever manner the parties may agree which is in compliance with the Internal Revenue Service codes governing tax-exempt financing.

5.2. The Agency shall make a separate determination of Net Tax Increment amounts due under this Agreement from any State-Owned Parcels that are consolidated with adjacent land, and shall submit the determination to the Authority and City for advance written approval. At a minimum, the Authority shall be accorded that portion of increment from the consolidated parcel which represents the Net Tax Increment from the original State-owned Parcel on a square foot basis. If the City or Authority make a claim that a square footage apportionment does not fairly represent the value of Net Tax Increment due in accordance with their obligations under the Cooperative Agreement, the Agency's determination shall be treated as a breach of this Agreement under Section 10 below.

6. Effective Date. This Agreement shall become effective after approval evidenced by resolution of the Authority as of the date (the "Effective Date") which is the latest of (i) the date upon which the Transbay Redevelopment Plan becomes effective, (ii) the date upon which the Board of Supervisors ordinance authorizing and approving this Agreement becomes effective, and (iii) the date on which the City and Agency authorize, execute and deliver this Agreement.

7. Term. The term of this Agreement shall begin on the Effective Date and shall end forty-five years (45) years after the effective date of the ordinance adopting the Transbay Redevelopment Plan.

8. No General Fund Commitment. The pledge of revenue under this Agreement shall be limited solely to revenues payable from Net Tax Increment and any interest earnings thereon, on the terms set forth above. Notwithstanding anything to the contrary contained herein, this Agreement is not intended to, and shall not, create any commitment or obligation of the City to satisfy all or any portion of such indebtedness out of its General Fund, nor shall this Agreement be construed in any manner that would violate the debt limitations under Article XVI, Section 18 of the State Constitution or of the City's Charter, including Section 3.105 of the Charter.

9. Increment from Other Project Areas. The parties recognize and agree that this Agreement shall not require that revenue from tax increment or tax allocation bonds be made available to the Authority for the Transbay Terminal Project beyond the Net Tax Increment generated from within the Project Area; provided that, nothing in this Agreement shall prohibit the Agency and City, in their sole and absolute discretion, from making such revenue from outside the Project Area available to the Authority for purposes of the Transbay Terminal Project.

10. Remedies.

10.1 General.

(a) In the event of any default in or breach of this Agreement (each a "default"), the Option Agreement, or the Implementation Agreement or any of its terms, the non-defaulting party may deliver a written notice of default to the other regarding such default. The notice of default shall state with reasonable specificity the nature of the alleged default, the provisions under which the default is claimed to arise, and the manner in which the failure of performance may be satisfactorily cured. Upon receipt of such notice of default, either the City or the Agency, as applicable, shall commence within a reasonable time not to exceed sixty (60) days to cure or remedy such default, and shall thereafter pursue such cure or remedy to completion.

(b) Upon delivery of a notice of default, the City and the Agency, together with the Authority, shall promptly meet to discuss the default and the manner in which the defaulting party can cure or remedy the same so as to satisfy the aggrieved party's concerns. The City, Agency and the Authority shall continue meeting regularly, discussing, investigating and considering alternatives for a period of sixty (60) days from the delivery of the notice of default. If, at the end of the meet and confer period, the aggrieved party no longer holds the view that the other party is in default, such party shall issue a written acknowledgment of the other party's cure or remedy of the matter which was the subject of the notice of default.

(c) If (i) action is not diligently taken or pursued, or the default shall not be cured or remedied within a reasonable time or (ii) either the City or the Agency, which is alleged to be responsible for the default, shall refuse to meet and discuss as described above, then the aggrieved party may institute such proceedings (except as otherwise limited by this Agreement, and in particular, Section 10.2) as may be necessary or desirable in its opinion to cure and remedy such default, including, without limitation, proceedings to compel specific performance by the party in default of its obligations. Nothing in this Section shall require a party to postpone instituting any injunctive proceeding if it believes in good faith that such postponement will cause irreparable harm to such party. The parties acknowledge that termination is a remedy only in the event that the Authority formally resolves to abandon the Transbay Terminal Project as described in the Cooperative Agreement.

10.2 No Monetary Damages. The parties have determined that monetary damages are generally inappropriate and that it would be extremely difficult and impractical to fix or determine the actual damages to a party as a result of a breach or default under this Agreement and that equitable remedies and remedies at law not including damages are the appropriate remedies for enforcement of this Agreement. The parties would not have entered into this Agreement if either of them were liable to the other or to the Authority, including any Transferee of the Authority, for damages under or with respect to this Agreement. Consequently, the parties have agreed that neither party shall be liable in damages to the other, or to the Authority, including any transferee or

assignee, or to any other person, and each covenants not to sue for or claim any monetary damages and expressly waives its right to do so (A) for any breach of, or which arises out of, this Agreement or (B) arising out of or connected with any dispute, controversy or issue regarding the application, interpretation or effect of the provisions of this Agreement, except that injunctive relief to be allowed.

10.3 Attorneys' Fees. In the event of any dispute or any legal action or other dispute resolution mechanism to enforce or interpret any provision of this Agreement, the prevailing party shall not be entitled to attorneys' fees.

11. General Provisions

11.1 Notices. A notice or communication under this Agreement by either party to the other shall be sufficiently given or delivered if dispatched by hand or by registered or certified mail, postage prepaid, addressed as follows:

- (i) In the case of a notice or communication to the Agency:

San Francisco Redevelopment Agency
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attn: Executive Director
Reference: Transbay Redevelopment Project
Telefacsimile: (415) 749-2565

With a copy to:

San Francisco Redevelopment Agency
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attn: General Counsel
Reference: Transbay Redevelopment Project
Telefacsimile: (415) 749-2575

- (ii) In the case of a notice or communication to the City:

Mayor's Office of Economic and Workforce Development
City and County of San Francisco
Third Floor, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn: Rich Hillis
Reference: Transbay Redevelopment Project
Telefacsimile: (415) 554-6474

With a copy to:

Office of the Controller
City and County of San Francisco
875 Stevenson Street, Room 235
San Francisco, California 94103
Attn: Controller
Reference: Transbay Redevelopment Project
Telefacsimile: (415) 554-7466

And to:

Office of the City Attorney
Room 234, City Hall
San Francisco, CA 94102
Attn: Real Estate & Finance Team
Reference: Transbay Redevelopment Project
Telefacsimile: (415) 554-4722

- (iii) In the case of a notice or communication to the Authority:
Office of the Executive Director
Transbay Joint Powers Authority
201 Mission Street, Suite 1960
San Francisco, CA 94105
Telefacsimile: (415) 597-4615

For the convenience of the parties, copies of notice may also be given by telefacsimile.

Every notice given to a party hereto, pursuant to the terms of this Agreement, must state (or must be accompanied by a cover letter that states) substantially the following:

- (a) the Section of this Agreement pursuant to which the notice is given and the action or response required, if any;
- (b) if applicable, the period of time within which the recipient of the notice must respond thereto;
- (c) if approval is being requested, shall be clearly marked "Request for Approval under the Transbay Redevelopment Project Tax Allocation Pledge Agreement"; and
- (d) if a notice of a disapproval or an objection which requires reasonableness, shall specify with particularity the reasons therefor.

Any mailing address or telefacsimile number may be changed at any time by giving written notice of such change in the manner provided above at least ten (10) days prior to the effective date of the change. All notices under this Agreement shall be deemed given, received, made or communicated on the date personal receipt actually occurs or, if mailed, on the delivery date or attempted delivery date shown on the return receipt. A party may not give official or binding notice by telefacsimile. The effective time of a notice shall not be affected by the receipt, prior to receipt of the original, of a telefacsimile copy of the notice.

11.2 Amendments. Except as otherwise provided in this Agreement, this Agreement may be amended or modified only by a written instrument executed by City, Authority and Agency. The Agency and the City shall not amend the Transbay Redevelopment Plan or the Plan Documents in any manner that would decrease the pledge of Net Tax Increment as provided herein, without in each case obtaining the prior written consent of the Authority, which may be given or withheld by its Board of Directors in its sole reasonable discretion. The Mayor and the Controller of the City (or any successor City officer as designated by law), the Executive Director of the Authority,

and the Executive Director of the Agency shall have the authority to consent to any non-material amendments or other modifications to this Agreement. For purposes hereof, "non-material change" shall mean any change which does not decrease the pledge of Net Tax Increment which is the subject of this Agreement. Material amendments to this Agreement shall require the approval of the Board of Supervisors, by resolution.

11.3 Severability. If any provision of this Agreement, or its application to any person or circumstance, is held invalid by any court, the invalidity or inapplicability of such provision shall not affect any other provision of this Agreement or the application of such provision to any other person or circumstance, and the remaining portions of this Agreement shall continue in full force and effect, unless enforcement of this Agreement as so modified by and in response to such invalidation would be unreasonable or grossly inequitable under all of the circumstances or would frustrate the fundamental purposes of this Agreement. Without limiting the foregoing, in the event that any applicable federal or state law prevents or precludes compliance with any material term of this Agreement, the parties shall promptly modify, amend or suspend this Agreement, or any portion of this Agreement, to the extent necessary to comply with such provisions in a manner which preserves to the greatest extent possible the benefits to each of the parties to this Agreement and to the Owner before such conflict with federal or state law. However, if such amendment, modification or suspension would deprive the City or the Agency of the substantial benefits derived from this Agreement or make performance unreasonably difficult or expensive, then the affected party may terminate this Agreement upon written notice to the other party. In the event of such termination, neither party, nor the Owner, shall have any further rights or obligations under this Agreement.

11.4 Non-Waiver. Any delay or failure by the City or the Agency, or the Authority, to exercise any right under this Agreement shall not be deemed a waiver of that or any other right contained in this Agreement.

11.5 Successors and Assigns; Third Party Beneficiary. This Agreement shall inure to the benefit of and bind the respective successors and assigns of the City and the Agency. The Authority, including any transferee or assignee of the Authority, is an intended third party beneficiary of this Agreement. Except as provided above with respect to the Authority and its permitted transferees and assignees, this Agreement is for the exclusive benefit of the parties hereto and not for the benefit of any other person and shall not be deemed to have conferred any rights, express or implied, upon any other person.

11.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

11.8 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

11.9 Interpretation of Agreement.

(a) Captions. Whenever a section, article or paragraph is referenced, it refers to this Agreement unless otherwise specifically identified. The captions preceding the articles and sections of this Agreement have been inserted for convenience of reference only. Such captions shall not define or limit the scope or intent of any provision of this Agreement.

(b) Words of Inclusion. The use of the term "including," "such as" or words of similar import when following any general term, statement or matter shall not be construed to limit such term, statement or matter to the specific items or matters, whether or not language of non-limitation is used with reference thereto. Rather, such terms shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term or matter.

(c) References. Wherever reference is made to any provision, term or matter "in this Agreement," "herein" or "hereof" or words of similar import, the reference shall be deemed to refer to any and all provisions of this Agreement reasonably related thereto in the context of such reference, unless such reference refers solely to a specific numbered or lettered, section or paragraph of this Agreement or any specific subdivision thereof.

(d) Recitals. In the event of any conflict or inconsistency between the recitals and any of the remaining provisions of this Agreement, the remaining provisions of this Agreement shall prevail.

11.10 Entire Agreement. This Agreement contains all the representations and the entire agreement between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, agreements, warranties or representations relating to such subject matter are superseded in total by this Agreement. No prior drafts of this Agreement or changes from those drafts to the executed version of this Agreement shall be introduced as evidence in any litigation or other dispute resolution proceeding by either party or any other Person and no court or other body shall consider those drafts in interpreting this Agreement.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the City, the Authority and the Agency have duly executed and delivered this Agreement as of the date first written above.

CITY AND COUNTY OF SAN FRANCISCO

By 
Gavin Newsom, Mayor

By _____
Gloria L. Young, Clerk of
the Board of Supervisors

By _____
Edward Harrington, Controller

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By 
Deputy City Attorney

**REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO**

By _____
Amy Lee, Deputy Executive Director
Finance and Administration

APPROVED AS TO FORM:

By _____
James B. Morales
Agency General Counsel

[AUTHORITY SIGNATURE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the City, the Authority and the Agency have duly executed and delivered this Agreement as of the date first written above.

CITY AND COUNTY OF SAN FRANCISCO

By _____
Gavin Newsom, Mayor

By Angela Calvillo
Angela Calvillo, Clerk of
the Board of Supervisors

By _____
Edward Harrington, Controller

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By _____
Carol Wong
Deputy City Attorney

**REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO**

By _____
Amy Lee, Deputy Executive Director
Finance and Administration

APPROVED AS TO FORM:

By _____
James B. Morales
Agency General Counsel

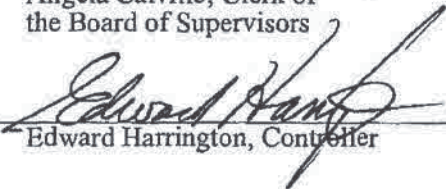
[AUTHORITY SIGNATURE ON FOLLOWING PAGE]

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CITY AND COUNTY OF SAN FRANCISCO

By _____
Gavin Newsom, Mayor

By _____
Angela Calvillo, Clerk of
the Board of Supervisors

By  _____
Edward Harrington, Controller

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By _____
Carol Wong
Deputy City Attorney

**REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO**

By _____
Amy Lee, Deputy Executive Director
Finance and Administration

APPROVED AS TO FORM:

By _____
James B. Morales
Agency General Counsel

[AUTHORITY SIGNATURE ON FOLLOWING PAGE]

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By _____
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By _____
Gloria L. Young, Clerk of
the Board of Supervisors

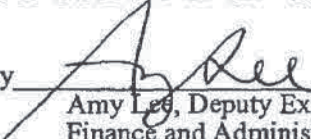
By _____
Edward Harrington, Controller

APPROVED AS TO FORM:

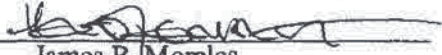
DENNIS J. HERRERA, City Attorney

By _____
Deputy City Attorney

**REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO**

By  _____
Amy Lee, Deputy Executive Director
Finance and Administration

APPROVED AS TO FORM:

By  _____
James B. Morales
Agency General Counsel


[AUTHORITY SIGNATURE ON FOLLOWING PAGE]

TRANSBAY JOINT POWERS AUTHORITY

By 
Maria Ayerdi
Executive Director

APPROVED AS TO FORM:

By 
Andrew W. Schwartz
Shute, Mihaly & Weinberger

Transbay Joint Powers Authority
Board of Directors
Resolution No. 05-002
Adopted: 1/20/05
Attest: 
Secretary, TJPA Board

Tab 4



FINAL AND CONCLUSIVE DETERMINATION REQUEST FORM

Instructions: Please fill out this form in its entirety to request Finance to provide a final and conclusive determination on an approved enforceable obligation. Additional supporting documents may be included with the submittal of this form as justification related to the enforceable obligation, including documents that may have been previously submitted. Upon completion, email a PDF version of this document (including any attachments) to:

Redevelopment_Administration@dof.ca.gov

The subject line should state "[Agency Name] Final and Conclusive Determination Request". Finance will contact the requesting agency upon receipt for any additional information that may be necessary. Questions related to the final and conclusive determination process should be directed to (916) 445-1546 or by email to Redevelopment_Administration@dof.ca.gov.

Health and Safety Code (HSC) section 34177.5 (i), allows a Successor Agency to request the Department of Finance (Finance) to provide written confirmation that its determination of such enforceable obligation as approved in a Recognized Obligation Payment Schedule (ROPS) is final and conclusive, and reflects Finance's approval of subsequent payments made pursuant to the enforceable obligation.

GENERAL INFORMATION:

Agency Name: Successor Agency to the Redevelopment Agency of the City and County of San Francisco

ROPS Period: January 1, 2013 to June 30, 2013 (ROPS III)

Date of Finance's Determination/Approval Letter: October 12, 2012

DETAIL OF REQUEST

Summary of Enforceable Obligation:

ROPS Line Number: 86, 192, & 85

Project Name: Transbay Transit Center Redevelopment Project

Contract/Agreement Execution and Termination Date:

1. Transbay Redevelopment Project Implementation Agreement, executed March 14, 2006, by and between the Redevelopment Agency of the City and County of San Francisco and the Transbay Joint Powers Authority ("Implementation Agreement"), *available at* <http://www.sfredevelopment.org/modules/showdocument.aspx?documentid=4039>. Section 7 of the Implementation Agreement defines the termination date as the expiration of the Transbay Redevelopment Plan, which expires on June 23, 2035.
2. Assembly Bill No. 812 (Statutes 2003, chapter 99), codified at Cal. Public Resources Code § 5027.1 ("AB 812" or "State Law Obligation"), *available at* http://www.leginfo.ca.gov/pub/03-04/bill/asm/ab_0801-0850/ab_812_bill_20030722_chaptered.pdf.

3. Transbay Redevelopment Project Tax Increment Allocation and Sales Proceeds Pledge Agreement, dated Jan. 31, 2008, by and between the City and County of San Francisco, the Redevelopment Agency of the City and County of San Francisco, and the Transbay Joint Powers Authority ("Pledge Agreement"), *available at* <http://www.sfredevelopment.org/modules/showdocument.aspx?documentid=4040>. Section 7 of the Pledge Agreement defines the termination date as forty-five years after the effective date of the ordinance adopting the Transbay Redevelopment Plan, i.e. Sep. 22, 2050.

Payee: Transbay Joint Powers Authority and other parties.

Funding Source: Redevelopment Property Tax Trust Fund

Total Outstanding Debt or Obligation:

1. Implementation Agreement: \$80,000,000 (\$297,000,000 in future dollars). Line 86 of the ROPS states the total outstanding debt or obligation for the Implementation Agreement as \$80,000,000, which is a present value figure that can also be expressed as \$297,000,000 in future dollars.
2. State Law Obligation: \$849,936,548 (future dollars).
3. Pledge Agreement: \$1,065,000,000 (future dollars).

Total Due During Fiscal Year:

1. Implementation Agreement: \$3,938,525.
2. State Law Obligation: \$0.
3. Pledge Agreement: \$0.

Six Month Total:

1. Implementation Agreement: \$0.
2. State Law Obligation: \$0.
3. Pledge Agreement: \$0.

SUMMARY OF REQUEST

- Background/History (Provide relevant background/history, if applicable)

In 2001, the City and County of San Francisco ("City"), the Alameda-Contra Costa Transit District, and the Peninsula Corridor Joint Powers Board executed a joint exercise of powers agreement creating the Transbay Joint Powers Authority ("TJPA"). The purpose of the TJPA is to design, build, develop, operate and maintain a new transportation terminal in San Francisco known as the Transbay Transit Center (the "Transit Center"). The Transit Center consists of the construction of a modern, regional multi-modal transit center with an above-grade bus level, a 5.4-acre rooftop public park, two below-grade rail levels serving Caltrain and future California High Speed Rail, and related infrastructure. The financial feasibility and long-term success of the Transit Center depend on significant improvements in the 40-acre redevelopment project area in which the Transit Center is located.

Recognizing the state-wide importance of the Transit Center, in 2003 the State Legislature enacted AB 812 authorizing the demolition of the historic Transbay Terminal building and the construction of the new Transit Center (Stat. 2003, Chapter 99, codified at § 5027.1 of the Cal. Public Resources Code). AB 812 also required the development of approximately 1,200 units of affordable housing (35% of new housing developed) in the surrounding area if a redevelopment plan authorized financing for the Transit Center. Also in 2003, in a Cooperative Agreement between the State of California, the TJPA and the City, the State agreed to transfer approximately 10 acres of State-owned property (the

“State-owned parcels”) around the then-existing Transbay Terminal to the City and the TJPA to help fund the development of the Project (the “Cooperative Agreement”), *available at* <http://www.sfredevelopment.org/modules/showdocument.aspx?documentid=4112>. Section III.I of the Cooperative Agreement, at pp. 19-20, requires the tax increment from the development of the State-owned property to be used to fund the Transbay Transit Center and access ramps.

After years of planning, in 2005 the City approved the Redevelopment Plan for the Transbay Redevelopment Project Area (“Redevelopment Plan”), *available at* <http://www.sfredevelopment.org/index.aspx?page=54>, which includes not only the development and financing of the Transit Center but also revitalization of 10 acres of blighted State-owned parcels construction of new public facilities and infrastructure in the area around the Transit Center, and the development of approximately 3,400 residential units, including 1,200 units affordable to low- and moderate-income households (the “Project”). The Transit Center and the Project share the same purpose: to create a vibrant new downtown, transit-oriented residential district centered on a major new regional transit hub.

The Project is subject to several binding agreements and obligations of state law that pre-date January 1, 2011. These obligations include: the Cooperative Agreement; the Implementation Agreement; the Pledge Agreement; AB 812; the 2008 Option Agreement among the City, the Redevelopment Agency of the City and County of San Francisco (“Agency”) and the TJPA (granting options to the Agency to acquire the State-owned parcels and facilitate the development of the parcels); and a \$171 million federal loan agreement under the Transportation Infrastructure Finance and Innovation Act (“TIFIA”) (providing funds for the design and construction of temporary and permanent facilities in furtherance of the Transit Center and related infrastructure). TIFIA Loan Agreement between the United States Department of Transportation and the TJPA, executed on January 1, 2010 (TIFIA – 2008-CA-01007A) (“TIFIA Loan”), *available at* <http://www.sfredevelopment.org/modules/showdocument.aspx?documentid=4114>. The tax increment pledged to the TJPA under the Pledge Agreement is the primary source of the security for the TIFIA Loan. See TIFIA Loan, Section 8(a) at p. 18. The Successor Agency has previously described all of these agreements and obligations in documentation submitted as part of its initial ROPS that the Oversight Board of the City and the Department of Finance (“DOF”) approved earlier this year. Exhibit B-2 to Oversight Board Resolution No. 5-2012 (April 10, 2012), *available at* <http://sfgsa.org/index.aspx?page=5254>.

In reliance on the commitment of funds, including property tax revenues, provided under these agreements and obligations, the TJPA demolished the Transbay Terminal and former bus ramps and started construction of the Transit Center and bus ramps in 2010. The TJPA has spent more than \$605 million on design and construction, not including \$25.7 million spent for a temporary terminal which is completed and operating, and has employed thousands of workers that have compiled more than 567,934 workforce hours through September 2012.

- Justification for Request (Provide additional attachments to this form, as necessary)

In the DOF Guidance for a Final and Conclusive Determination, *available at* http://www.dof.ca.gov/redevelopment/final_and_conclusive/view.php, DOF states that it will issue a formal letter confirming the final and conclusive determination of an enforceable obligation if three conditions are met: an irrevocable commitment of property tax revenue; an allocation of this revenue over time; and the previous listing of the enforceable obligation on an approved ROPS. The enforceable obligations that are the subject of this Request for a Final and Conclusive Determination (“Request”) meet these conditions. First, the Implementation Agreement requires the Agency to construct and fund with property tax revenues a program of infrastructure and open space improvements; AB 812 requires the Agency to construct and fund with property tax revenue approximately 1,200 units of affordable housing; the Pledge Agreement irrevocably commits tax increment from the State-owned parcels for construction of the Transit Center. Second, the parties to these enforceable obligations intended, and the circumstances compel, that the allocation of property tax revenues occurs over time as the revenues are generated during the life of a multi-year development project. Third, DOF has approved the ROPS I, II, and III, each of which listed these enforceable obligations.

1. Irrevocable Commitment of Property Tax Revenue in Enforceable Obligations.

The Implementation Agreement, AB 812, and the Pledge Agreement are enforceable obligations as defined in Section 34171 (d)(1) of the California Health and Safety Code. (All subsequent statutory references are to the California Health and Safety Code.) The Implementation Agreement and Pledge Agreement are pre-2011 “legally binding and enforceable agreement[s] that [are] not otherwise void as violating the debt limit or public policy.” Section 34171 (d)(1)(E). AB 812 is an “obligation[] imposed by state law.” Section 34171 (d)(1)(C).

A. Implementation Agreement.

The intent of the parties to the Implementation Agreement was to establish the Agency's responsibility "for all plan adoption and implementation activities" for the Project and to provide for the irrevocable commitment of property tax revenues to fulfill that responsibility. Implementation Agreement, Section N at p. 3.

The Agency intends to fund major infrastructure improvements, including new public parks, new pedestrian-oriented alleys, and widened sidewalks, as well as programs to support building rehabilitation, façade improvements and historic preservation, with tax increment from non State-Owned Parcels in the Project Area."

Id., Section L at p. 3. The Implementation Agreement acknowledges the significant need for Agency funding "required to meet the costs of the Transbay Terminal Project and the state-mandated affordable housing requirements." *Id.*, Section N at p. 3. It also acknowledges the City's legislative determination, under Section 33445, that the Agency's tax increment funding of public infrastructure for the Project is necessary because no other reasonable means of financing the improvements are available. *Id.*, Section O at p. 3.

Section 2.1 (d) of the Implementation Agreement irrevocably commits the Agency to fund the public improvements and affordable housing for the Project.

The Agency shall execute all activities related to the implementation of the Transbay Redevelopment Plan, including all administrative activities related to implementation, including but not limited to activities related to major infrastructure improvements, including new public parks, new pedestrian-oriented alleys, and widened sidewalks, as well as programs to support building rehabilitation, façade improvements, and historic preservation, relocation activities as necessary, as well as activities related to the development of more than 3400 new housing units, including the affordable housing requirements of Section 33413 of the California Community Redevelopment Law and the additional affordable housing requirements of Section 5027.1 of the California Public Resources Code. The costs for implementation of the Transbay Redevelopment Plan activities set forth in this paragraph (the "Agency Costs"), and repayment of Authority loans in Section 2.2 (b) shall be an indebtedness incurred by the Agency and included in the Agency's annual budget submitted to the City.

Id., Section 2.1 (d) at p. 5. Under the Implementation Agreement, the TJPA agreed to lend funds for Agency Costs in the early years of the Redevelopment Plan to jumpstart the Project when tax increment funding was not available. The TJPA made this investment and the project area began to generate significant tax increment. The TJPA's funding obligations terminated in 2010, five years after the date of adoption of the Redevelopment Plan. *Id.*, Section 2.2 (b) at p. 5. At that point, the Agency became primarily responsible for funding certain aspects of the Project through its receipt of property tax revenue. Completion of the Project under the Implementation Agreement will occur over the life of the Redevelopment Plan, which will expire in 2035.

Implementation of the Redevelopment Plan, including financing of infrastructure and open space improvements, are an essential and requisite part of creating sufficient value in the State-owned parcels to fund the Transit Center and access ramps through land sales, all as intended by the Legislature in AB 812 and by the State in the Cooperative Agreement. Furthermore, the Agency's issuance of tax allocation debt to fund the construction of the infrastructure, open space improvements and affordable housing is the only feasible financing method by which the Agency will be able to satisfy the requirements under the Implementation Agreement and AB 812.

B. AB 812.

State law imposes an enforceable obligation for the Project's affordable housing program and irrevocably commits property tax revenue for that purpose when certain conditions are met. AB 812, enacted in 2003 and codified in Section 5027.1 of the Public Resources Code, requires that any redevelopment plan providing for the financing, in whole or in part, of the Transbay Terminal demolition and reconstruction must ensure the development of affordable housing for low- and moderate-income households. In particular, the State Law Obligation mandates that 25 percent of the residential units developed in the project area covered by the redevelopment plan must be

restricted to low-income households and an additional 10 percent must be restricted to moderate-income households ("Transbay Affordable Housing Program"). These affordability restrictions must remain in effect for 45 years for ownership units and 55 years for rental units.

In 2005 and 2006, the City approved, by Ordinance Nos. 124-05 and 99-06, *available at* <http://www.sfbos.org/ftp/uploadedfiles/bdsupvrs/ordinances05/o0124-05.pdf> and <http://www.sfbos.org/ftp/uploadedfiles/bdsupvrs/ordinances06/o0099-06.pdf>, respectively, the Redevelopment Plan, which authorized, among other things, a financing plan to construct a new terminal. It requires the dedication of tax increment generated from certain parcels "to pay costs associated with the construction and design of the Transbay Terminal," Redevelopment Plan, Section 5.7 at page 32, and reiterates the affordable housing production requirement of AB 812, which was estimated at the time to be 1,200 units.¹ The City's approval of the Redevelopment Plan with the financing mechanism for the Transit Center triggered the statutory obligation for the Transbay Affordable Housing Program. Compliance with this enforceable obligation can only be achieved through the irrevocable commitment of property tax revenue and the issuance of tax allocation debt.

C. Pledge Agreement.

The City, the Agency and the TJPA entered into the Pledge Agreement effective January 31, 2008, pledging all of the sales proceeds and all of the net tax increment from the State-owned parcels identified in the Cooperative Agreement with the State to be used to fund the Transit Center and access ramps. The Pledge Agreement provides that all Net Tax Increment and Gross Sales Proceeds (as these terms are defined):

. . . shall be *irrevocably pledged* to the [TJPA], and that the [TJPA] may bond or pledge those revenues as security, use them as cash, loan repayments, or for any other purpose of the Transbay Terminal Project as set forth in the Cooperative Agreement. The Agency and City acknowledge and agree that this Agreement is entered into for their benefit and for the express benefit of the [TJPA], that [the TJPA] is entitled to rely on this Agreement, receive benefits and revenues conferred by this Agreement and to enforce any provisions of this Agreement against any party to this Agreement . . .

Pledge Agreement, Section 1 at p. 3 [emphasis added]. The Pledge Agreement further provides that:

. . . the Agency and City agree that all property tax increment revenues attributable to parcels or portions thereof acquired by the City or the [TJPA] from the State of California pursuant to the Cooperative Agreement ("Net Tax Increment"), and any interest thereon, are hereby *irrevocably pledged* to the [TJPA] for costs associated with construction and design of the Transbay Terminal Project, and further agree that such revenues shall not be subject to any other indebtedness whether from the Redevelopment Plan or any other City or Agency obligation."

Id., Section 2 at pp. 3-4 [emphasis added]. Under the Pledge Agreement, all of the sales proceeds and all of the net tax increment from the State-owned parcels (after statutory passthroughs) are irrevocably pledged to the Transit Center and may not be used for any other purpose.

The Pledge Agreement implemented the requirement of the Cooperative Agreement that the transfer of State-owned parcels to the City and TJPA was conditioned on the commitment of tax increment from the parcels for the funding of the Transit Center. See Cooperative Agreement at p. 3 ("WHEREAS, the proposed Redevelopment Plan will be structured to dedicate net tax increment and gross proceeds from sales of the State's vacant [Terminal Separator Structure] and Transbay Terminal parcels to a new Transbay Terminal after adoption of a final Redevelopment Plan"). Furthermore, the TJPA has relied on the irrevocable commitment of tax increment under the Pledge Agreement as security to borrow \$171 million from the federal government to fund costs related to the Transit Center.

2. Allocation of Property Tax Revenues over time.

The Implementation Agreement expires in 2035 and requires the continuing allocation of property tax revenue as it is generated in the Transbay Redevelopment Project Area ("Project Area") to enable the Agency to "execute all activities related to the implementation of the Transbay Redevelopment Plan." Implementation Agreement, Section 2.1 (d) at p. 5. The Implementation Agreement explicitly acknowledges that during the early years of the Redevelopment Plan "the Agency

¹ Report on the Redevelopment Plan, Transbay Redevelopment Project, volume 1 at p. VI-14 (Jan. 2005).

will not collect significant amounts of tax increment from the Project Area,” *Id.*, Section N at p. 3, but that in subsequent years tax increment would be allocated for the Project. In particular, the Implementation Agreement provides an alternative source of funding for initial implementation activities that would terminate when “the Project Area is generating adequate tax increment to cover the Agency Costs.” *Id.*, Section 2.2 (b) at p. 5.

AB 812 requires that the production of approximately 1,200 units of affordable housing would occur over the life of the Redevelopment Plan, which expires in 2035. The only feasible method of funding these units in light of the projected growth in tax increment revenues and the capacity to build is to allocate property tax revenues over time for this purpose.

The Pledge Agreement remains in effect for 45 years after the 2005 ordinance adopting the Redevelopment Plan. Pledge Agreement, Section 7 at p. 5. Accordingly, the irrevocable pledge of tax increment does not end until 2050 and the allocation of property tax revenue will occur over time.

3. DOF’s previous approval of ROPS listing the enforceable obligations.

The Successor Agency has listed the Implementation Agreement, AB 812, and the Pledge Agreement on all three ROPS that the Successor Agency has submitted to DOF.

The Implementation Agreement is listed in ROPS I (Line Tran 4 of Exhibit A-1 (Non-housing) at page 18 of 20), available at <http://sfgsa.org/index.aspx?page=5254>, in ROPS II (Line Tran 4 of Exhibit A-1 (Non-housing) at page 17 of 20), available at <http://sfgsa.org/modules/showdocument.aspx?documentid=8752>, and in ROPS III (Line 86 of Exhibit A-3 at page 11 of 30, available at <http://sfgsa.org/modules/showdocument.aspx?documentid=9133>.

The AB 812 State Obligation is listed in ROPS I (Line TB-1 of Exhibit A-2 (Housing) at page 8 of 9, in ROPS II (Line TB-1 of Exhibit A-2 (Housing) at page 8 of 9, and in ROPS III (Line 192 of Exhibit A-3 at page 20 of 30).

The Pledge Agreement is listed in ROPS I (Line Tran 3 of Exhibit A-1 (Non-housing) at page 18 of 20), in ROPS II (Line Tran 3 of Exhibit A-1 (Non-housing) at page 17 of 20), and in ROPS III (Line 85 of Exhibit A-3 at page 11 of 30).

DOF has not objected to any of the enforceable obligations that are the subject of this Request. See Letter, Mark Hill, DOF Program Budget Manager, to Jim Morales, Successor Agency (May 25, 2012) (“approving all of the items listed on your ROPS [I and II] at this time”), available at <http://sfgsa.org/modules/showdocument.aspx?documentid=9335>; Letter, Steve Szalay, DOF Local Government Consultant, to Tiffany Bohee, Executive Director (Oct. 12, 2012) (“Except for items denied in whole or in part as enforceable obligations . . . , Finance is approving the remaining items listed in your ROPS III.”), available at <http://sfgsa.org/modules/showdocument.aspx?documentid=9334>.² Moreover, the Successor Agency has previously provided, at DOF’s request, the Implementation Agreement for its review. See E-mail from Sally Oerth, Deputy Director, Successor Agency, to Brown Moua, Financial and Performance Evaluator I, DOF (Sep. 20, 2012, 03:39 PM) (attached). Finally, when the State approved the ROPS I, it noted the particular importance of the Transbay Terminal Project. Letter, Brian Kelly, Acting Secretary, Business, Transportation and Housing Agency, to Senator Mark Leno (April 27, 2012) (attached).

- **Conclusion.**

Based on the foregoing, the Successor Agency requests that, pursuant to California Health and Safety Code Section 34177.5(i), the Department of Finance make a final and conclusive determination that the Implementation Agreement, AB 812, and the Pledge Agreement are enforceable obligations, that they require the issuance of tax allocation debt and that they are not subject to further review or challenge by the Department of Finance, as part of its ROPS review, except to confirm that future payments, including, but not limited to, payments made on new enforceable obligations on a

² In its review of ROPS III, DOF has objected to two obligations that are ancillary to the Implementation Agreement but did not dispute the Successor Agency’s listing of the Implementation Agreement as an enforceable obligation. Letter, Steve Szalay, DOF Local Government Consultant, to Tiffany Bohee, Executive Director, Successor Agency (Oct. 12, 2012). DOF’s objection is based on the narrow grounds that the Successor Agency lacks authority to enter into agreements after June 28, 2011, the effective date of AB 26. As explained in the Successor Agency’s Request to Meet and Confer (Oct. 19, 2012), DOF failed to consider that the ancillary agreements comply with an enforceable obligation, namely the Implementation Agreement and thus are permitted under Section 34177.3 (a). DOF has scheduled a meet and confer with the Successor Agency to discuss this matter on November 16, 2012.

future ROPS, are required by the enforceable obligations that are the subject of this Final and Conclusive Determination Request.

Agency Contact Information

Name:	Tiffany Bohee	Name:	Sally Oerth
Title:	Executive Director	Title:	Deputy Director
Phone:	415-759-2588	Phone:	415-749-2580
Email:	tiffany.bohee@sfgov.org	Email:	sally.oerth@sfgov.org
Date:	November 7, 2012	Date:	November 7, 2012

Department of Finance Local Government Unit Use Only

DETERMINATION OF FINAL AND CONCLUSIVE STATUS: ☐ APPROVED ☐ DENIED

APPROVED/DENIED BY: _____ DATE: _____

APPROVAL OR DENIAL LETTER PROVIDED: ☐ YES DATE AGENCY NOTIFIED: _____

Form DF-FC (10/23/12)

1184559.1

Tab 5

INDENTURE OF TRUST

Dated as of June 1, 2020

by and between the

TRANSBAY JOINT POWERS AUTHORITY

and

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

Relating to

**\$189,480,000 Transbay Joint Powers Authority Senior Tax Allocation Bonds, Series 2020A
(Tax-Exempt) (Green Bonds)**

**\$28,355,000 Transbay Joint Powers Authority Senior Tax Allocation Bonds, Series 2020A-
T (Federally Taxable) (Green Bonds)**

**\$53,370,000 Transbay Joint Powers Authority Subordinate Tax Allocation Bonds, Series
2020B (Tax-Exempt) (Green Bonds)**

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this “Indenture”) made and entered into and dated as of June 1, 2020, by and between the TRANSBAY JOINT POWERS AUTHORITY (the “Authority”), a joint powers authority created pursuant to laws of the State of California, and The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under the laws of the United States of America, as trustee (the “Trustee”);

WITNESSETH:

WHEREAS, as a result of damage from the 1989 Loma Prieta earthquake and the condition of the Former Transbay Terminal, as well as other factors, the Authority was formed to undertake the “Transbay Program,” which consists of three interconnected elements: (1) replacing the Former Transbay Terminal with the Salesforce Transit Center (“Phase 1”), (2) extending Caltrain rail tracks underground from its current terminus at Fourth and King Streets into the new downtown Salesforce Transit Center and accommodating future California High-Speed Rail (“Phase 2”), and (3) creating a new neighborhood with homes, offices, parks, and shops surrounding the new transit center. The Authority is charged with the responsibility of delivery the first two of these interconnected elements and the Successor Agency is responsible for delivering the third;

WHEREAS, the Authority, the City and County of San Francisco (the “City”) and the State of California (the “State”) entered into a Cooperative Agreement, dated as of July 11, 2003, pursuant to which the State agreed to transfer more than 10 acres of blighted and underutilized publicly owned land (the “Former State Owned Parcels”) that resulted from demolition of highway ramps damaged in the 1989 Loma Prieta earthquake and the Former Transbay Terminal;

WHEREAS, the City approved a Redevelopment Plan for the Transbay Redevelopment Project that provided for the redevelopment, rehabilitation and revitalization of the area generally bounded by Mission, Main, Second and Folsom Streets in downtown San Francisco, as more particularly described in such plan (the “Project Area”); and

WHEREAS, the Project Area contains the Former State Owned Parcels on which significant new development was planned; and

WHEREAS, the City, the Redevelopment Agency of the City and County of San Francisco (the “Former Agency”) and the Authority entered into that certain Transbay Redevelopment Project Tax Increment Allocation and Sales Proceeds Pledge Agreement, dated as of January 31, 2008 (the “Pledge Agreement”) pursuant to which the City and the Former Agency agreed that a portion of property tax increment revenues attributable to the Former State Owned Parcels (the “Net Tax Increment”), and any interest thereon, are irrevocably pledged to the Authority for costs associated with construction and design of Phase 1 and Phase 2 of the Transbay Program; and

WHEREAS, the Former Agency was established in 1948 by action of the Board of Supervisors pursuant to the Community Redevelopment Law (the “Redevelopment Law”),

constituting Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State, and was a separate public body and exercised governmental functions in planning and carrying out redevelopment projects; and

WHEREAS, in June 2011, as part of the State’s 2011 Budget Act, the State Legislature enacted Assembly Bill No. 26 of the First Extraordinary Session (“AB X1 26”), which dissolved all redevelopment agencies in the State, including the Former Agency; and

WHEREAS, the primary provisions of AB X1 26 are set forth in Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code (as amended from time to time, the “Dissolution Act”); and

WHEREAS, the Dissolution Act provided for the establishment of a successor agency for each former redevelopment agency and, upon the former redevelopment agency’s dissolution, all of the former redevelopment agency’s assets, properties, contracts, leases, books and records were transferred to the control of the successor agency by operation of law; and

WHEREAS, the Dissolution Act established, by operation of law, the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”) with all authority, rights, powers, duties, and obligations previously vested with the Former Agency under the Redevelopment Law, as amended by the Dissolution Act; and

WHEREAS, the Successor Agency is a separate public entity from the City, but the Board of Supervisors of the City serves as the legislative body of the Successor Agency and delegated by ordinance its authority under the Dissolution Act to the Successor Agency Commission; and

WHEREAS, the Successor Agency is required to continue to make payments for enforceable obligations (as defined under the Dissolution Act), including the Pledge Agreement; and

WHEREAS, the Dissolution Act currently requires that, except in the case where the California Department of Finance (“DOF”) has approved a Last and Final Recognized Obligation Payment Schedule, the Successor Agency must prepare a Recognized Obligation Payment Schedule (the “Recognized Obligation Payment Schedule” or the “ROPS”) once a year (to be submitted to the DOF no later than February 1), listing the payments for enforceable obligations that the Successor Agency expects to make for the upcoming two six-month fiscal periods (*i.e.*, the period from July through December and the period from January through June); and

WHEREAS, DOF has issued the Successor Agency a final and conclusive determination letter with respect to the Pledge Agreement informing the Successor Agency that DOF’s approval of the Pledge Agreement as an enforceable obligation is final and conclusive; and

WHEREAS, the Successor Agency has listed the Pledge Agreement on the ROPS as an enforceable obligation for each year since the dissolution of the Former Agency;

WHEREAS, the Authority and the United States Department of Transportation previously entered into a TIFIA Loan Agreement, dated as of January 1, 2010 (as amended, the “TIFIA Loan”) payable primarily from Pledged Revenues, which TIFIA Loan is currently outstanding in the amount of \$178,891,105.46; and

WHEREAS, the TIFIA Loan financed a portion of the costs related to the construction and the design of Phase 1 and Phase 2 of the Transbay Program; and

WHEREAS, the Authority now desires to repay and refinance the TIFIA Loan and finance certain additional costs associated with the construction and the design of Phase 1 and Phase 2 of the Transbay Program, including, but not limited to, payment of certain judgement or settlement obligations arising from litigation or other disputes relating to past or future Phase 1 or Phase 2 Transbay Program construction or design activities, and other related costs (collectively, the “2020 Project”);

WHEREAS, the Authority has determined that it is necessary and desirable in order to finance the 2020 Project to authorize the issuance, sale and delivery of its Senior Tax Allocation Bonds, Series 2020A (Tax-Exempt) (Green Bonds), Senior Tax Allocation Bonds, Series 2020A-T (Federally Taxable) (Green Bonds), and Subordinate Tax Allocation Bonds, Series 2020B (Tax-Exempt) (Green Bonds) (collectively, the “2020 Bonds”) in the aggregate principal amount of \$271,205,000;

WHEREAS, in order to provide for the authentication and delivery of the 2020 Bonds, to establish and declare the terms and conditions upon which the 2020 Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and redemption premium (if any) thereon, the Authority and the Trustee have duly authorized the execution and delivery of this Indenture; and

WHEREAS, the Authority has determined that all acts and proceedings required by law necessary to make the 2020 Bonds when executed by the Authority, and authenticated and delivered by the Trustee, the valid, binding and legal special obligations of the Authority, and to constitute this Indenture a legal, valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken.

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

ARTICLE I

DETERMINATIONS; DEFINITIONS

Section 1.01 Findings and Determinations. The Authority has reviewed all proceedings heretofore taken and, as a result of such review, hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the 2020 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now duly empowered, pursuant to each and every requirement of law, to issue the 2020 Bonds in the manner and form provided in this Indenture.

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

“Additional Assessed Valuation Increases” means any future estimated increases in the assessed valuation of taxable property in the Former State Owned Parcels, as shown in a Report of an Independent Redevelopment Consultant, due to the completion of construction which is not then fully reflected on the tax rolls, or due to transfer of ownership or any other interest in real property which has been recorded but which is not then fully reflected on the tax rolls or other instances of valuation change. For purposes of this definition, the term “increases in the assessed valuation” means the amount by which the assessed valuation of taxable property in the Former State Owned Parcels is estimated to increase above the assessed valuation of taxable property in the Former State Owned Parcels (as evidenced in the written records of the City) as of the date on which such calculation is made.

“Additional Revenues” means, as of the date of any calculation, the additional amount of Pledged Revenues that an Independent Redevelopment Consultant estimates the Authority will be entitled to receive under the Pledge Agreement, as shown in a Report of such Independent Redevelopment Consultant, as a result of the aggregate of each Additional Assessed Valuation Increase for the first Fiscal Year in which the Independent Redevelopment Consultant estimates that the full amount of such Additional Assessed Valuation Increase will be reflected on the tax rolls.

“Administrative Expenses” means all costs and expenses of the Authority related to any fees and expenses of the Trustee, any fees and expenses of any credit enhancement for any Bonds or Senior Parity Debt or Subordinate Parity Debt, any fees and expenses of any lender with respect to any Holder of any Bonds, Senior Parity Debt or Subordinate Debt, all administrative costs and expenses of the Authority related to any Series of Bonds, all attorneys’ fees and other costs related thereto, any costs related to the Authority’s compliance with state and federal laws requiring continuing disclosure of information concerning the Bonds, and any costs and expenses of the Authority relating to its compliance with the Indenture, the Pledge Agreement or the Dissolution Act, the collection of the Pledged Revenues or the Authority’s enforcement of its rights under the Pledge Agreement.

“Administrative Expense Cap” means, initially, \$100,000, and thereafter such other amount (which can be increased and decreased from time to time) that the Authority specifies in a Written Certificate of the Authority, provided that such amount shall not exceed \$500,000.

“Administrative Expense Fund” means the fund by that name established and held by the Trustee pursuant to Section 4.02.

“Annual Debt Service” means, with respect to any Series of Bonds, for each Bond Year, the sum of (a) the interest payable on such Series of Bonds in such Bond Year, and (b) the principal amount of such Series of Bonds scheduled to be paid in such Bond Year, and (c) the aggregate principal amount of Term Bonds scheduled to be redeemed in such Bond Year.

“Authority” means Transbay Joint Powers Authority.

“Authorized Denominations” means \$5,000 or any integral multiple thereof.

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

“Bond Proceeds Fund” means the fund by that name established with the Trustee pursuant to Section 3.03.

“Bond Year” means each 12-month period extending from October 2 in one calendar year to October 1 of the succeeding calendar year, both dates inclusive; provided that the first Bond Year with respect to the 2020 Bonds shall commence on the Closing Date and end on October 1, 2020.

“Bonds” means, collectively, the Senior Bonds and Subordinate Bonds.

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

“Capital Replacement Reserves” means that portion of the proceeds from the 2020 Bonds disbursed to the Authority pursuant to Section 3.03 and which the Authority will hold as reserves for Project costs.

“Certificate of Closing of Construction Fund” means a Written Certificate of the Authority filed with the Trustee stating that no additional expenditures will be made from the Construction Fund and instructing the Trustee to close the Construction Fund.

“Chief Financial Officer” means the Chief Financial Officer of the Authority.

“City” means the City and County of San Francisco.

“Closing Date” means the date on which a Series of Bonds is delivered by the Authority to the original purchaser thereof. The Closing Date with respect to the 2020 Bonds is June 25, 2020.

“Code” means the Internal Revenue Code of 1986, as amended.

“Construction Costs” means all costs of a Project, including, but not limited to:

(a) all costs which the Authority shall be required to pay to a manufacturer, vendor or contractor or any other person under the terms of any contract or contracts for the construction, installation or improvement of a Project;

(b) obligations of the Authority or others incurred for labor and materials (including obligations payable to the Authority or others for actual out-of-pocket expenses of the Authority or others) in connection with the construction, installation, financing or improvements of a Project, including reimbursement to the Authority or others for all advances and payments made in connection with a Project prior to or after delivery of the Bonds;

(c) the costs of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect during the course of construction, installation or improvement of a Project;

(d) all costs of engineering and architectural services, including the actual out-of-pocket costs of the Authority for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees and sales commissions, right of way, land or property purchases, and for supervising construction, installation and improvement, as well as for the performance of all other duties required by or consequent to the proper construction, installation or improvement of a Project;

(e) legal and administrative costs related to the construction, installation or improvement of a Project;

(f) any sums required to reimburse the Authority for advances made by the Authority for any of the above items or for any other costs incurred and for work done by the Authority which are properly chargeable to the construction, installation or improvement of a Project;

(g) payment of judgement or settlement obligations arising from litigation relating to the construction or design activities of any Project; and

(h) any other cost, expense, or liability for which the Authority may use Net Tax Increment under the Pledge Agreement.

“Construction Fund” means the fund by that name established pursuant to Section 3.05 hereof.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate, with respect to the 2020 Bonds, executed by the Authority, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Authority relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, bond insurance and surety bond premiums, if any, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee and fees and expenses of its counsel, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds, administrative costs of the Authority incurred in connection with the issuance of the Bonds, expenses of the underwriters of the Bonds, and any other cost, charge or fee in connection with the original issuance of the Bonds.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.04.

“Debt Service Fund” means the fund by that name established and held by the Trustee pursuant to Section 4.02.

“Debt Service Transfer Date” means, with respect to any Bond Year, the First Debt Service Transfer Date or the Second Debt Service Transfer Date, as applicable.

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

- (a) Cash;
- (b) Non-callable bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the full and timely payment of which is unconditionally guaranteed by, the United States of America, or securities evidencing ownership interests in such obligations or in specified portions thereof (which may consist of specific portions of the principal of or interest on such obligations);
- (c) Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P; and
- (d) Non-callable bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates

of beneficial ownership of the Farmers Home Administration; (iii) participation certificates of the General Services Administration; (iv) Federal Financing Bank bonds and debentures; (v) guaranteed Title XI financings of the U.S. Maritime Administration; and (vi) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development.

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.10.

“Depository System Participant” means any participant in the Depository’s book-entry system.

“Dissolution Act” means Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code, as amended from time to time.

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

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

“Excess Pledged Revenues” means, as of the Second Debt Service Transfer Date of any Bond Year, the amount of Pledged Revenues on deposit in the Excess Pledged Revenue Fund after giving effect to the prior required deposits set forth in Section 4.04.

“Excess Pledged Revenues Fund” means the fund by that name established and held by the Trustee pursuant to Section 4.02.

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

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

“First Debt Service Transfer Date” means, with respect to any year, the earlier of (a) the date that is five Business Days before the April 1 Interest Payment Date or (b) the date specified in any Supplemental Indenture.

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

“Fitch” means Fitch Ratings Inc., and its successors.

“Former Agency” has the meaning given such term in the recitals to this Indenture.

“Former State Owned Parcels” means the “State-Owned Parcels” as defined in the Pledge Agreement, which consist of more than 10 acres of land around the Former Transbay Terminal and the new Salesforce Transit Center.

“Former Transbay Terminal” means the old transit facility generally located at First and Mission Streets in downtown San Francisco that was owned by the State and subsequently demolished and replaced with the new Salesforce Transit Center as part of the Transbay Program.

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

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

- (a) is in fact independent and not under the control of the Authority;
- (b) does not have any substantial interest, direct or indirect, with the Authority; and
- (c) is not an officer or employee of the Authority.

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

- (a) is judged by the Authority to have experience in matters relating to the collection of tax increment revenues or otherwise with respect to the financing of redevelopment projects;
- (b) is in fact independent and not under the control of the Authority;
- (c) does not have any substantial interest, direct or indirect, with the Authority; and

(d) is not an officer or employee of the Authority.

“Information Services” means, in accordance with then current guidelines of the Securities and Exchange Commission, the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system, or such other services providing information with respect to the redemption of bonds as the Authority may designate in a Written Request of the Authority filed with the Trustee.

“Interest Payment Date” means each April 1 and October 1, commencing October 1, 2020.

“Irrevocable Instruction Letter” means the letter dated June 25, 2020 delivered by the Authority to the Successor Agency and the Trustee instructing the Successor Agent to pay Net Tax Increment to the Trustee for deposit in the Debt Service Fund.

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

“Maximum Annual Debt Service” means, as to any Series of Bonds, as of the date of calculation, the largest amount of Annual Debt Service for such Series of Bonds with respect to the current or any future Bond Year payable in such Bond Year. For purposes of such calculation, there shall be excluded payments with respect to each Series of Bonds to the extent that amounts due with respect to such Series of Bonds are prepaid or otherwise discharged in accordance with this Indenture.

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

“Net Tax Increment” means the “Net Tax Increment” as defined in the Pledge Agreement, which consists of a portion of the property tax increment revenues attributable to the Former State Owned Parcels.

“Nominee” means (a) initially, Cede & Co., as nominee of DTC, and (b) any other nominee of the Depository designated pursuant to Section 2.10(a).

“Outstanding” when used as of any particular time with reference to Senior Bonds and Subordinate Bonds, means (subject to the provisions of Section 10.05) all Senior Bonds and Subordinate Bonds except:

(a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(b) Bonds paid or deemed to have been paid within the meaning of Section 9.01; or

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Authority pursuant hereto.

“Owner” or **“Bondowner”** means, with respect to any Bond, the person in whose name the ownership of such Bond shall be registered on the Registration Books.

“Participating Underwriters” has the meaning ascribed thereto in the Continuing Disclosure Certificate.

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

(a) Federal Securities;

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

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

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

(e) Unsecured certificates of deposit (having maturities of not more than 365 days) of any bank the short-term obligations of which are rated on the date of purchase “A-1+”

or better by S&P and “P-1” by Moody’s and/or certificates of deposit (including those placed by a third party pursuant to a separate agreement between the Trustee and the Authority), trust funds, trust accounts, time deposits, demand deposits, other deposit products, overnight bank deposits, interest bearing deposits, interest bearing money market accounts or bankers’ acceptances (including those of the Trustee, its parent and its affiliates) secured at all times by collateral that may be used by a national bank for purposes of satisfying its obligations to collateralize pursuant to federal law which are issued by commercial banks, savings and loan associations or mutual savings bank whose short-term obligations are rated on the date of purchase A-1 or better by S&P, Moody’s and Fitch;

(f) Certificates of deposit (including those placed by a third party pursuant to a separate agreement between the Trustee and the Authority), trust funds, trust accounts, demand deposits, other deposit products, overnight bank deposits, interest bearing deposits, interest bearing money market accounts or bankers’ acceptances, time deposits, deposit accounts or money market deposits (including those of the Trustee, its parent and its affiliates) that are fully insured by FDIC, including BIF and SAIF or collateralized by Federal securities for amounts above insurance;

(g) Investment agreements, including repurchase agreements, guaranteed investment contracts, forward purchase agreements, reserve fund put agreements and collateralized investment agreements with an entity rated “Aa” or better by Moody’s and “AA” or better by S&P, or unconditionally guaranteed by an entity rated “Aa” or better by Moody’s and “AA” or better by S&P;

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

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

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

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

(l) The City and County of San Francisco Treasurer’s Pool.

“Pledge Agreement” means the Transbay Redevelopment Project Tax Increment Allocation and Sales Proceeds Pledge Agreement, dated as of January 31, 2008, by and among the City, the Former Agency and the Authority, as amended from time to time.

“Pledged Revenues” means all Net Tax Increment to which the Authority is entitled under the Pledge Agreement.

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

“Project” means the 2020 Project and, with respect to any other Series of Bonds, any other portion of the Phase 1 and Phase 2 of the Transbay Program financed by such Series of Bonds.

“Qualified Reserve Account Credit Instrument” means an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company and deposited with the Trustee, provided that all of the following requirements are met at the time of acceptance thereof by the Trustee: (a) at least one of the rating agencies rating the Bonds has assigned a long-term credit rating to such bank or insurance company of “A” or higher; (b) such letter of credit, insurance policy or surety bond has a term of at least 12 months; (c) such letter of credit, insurance policy or surety bond has a stated amount at least equal to the portion of the Senior Bonds Reserve Requirement or Subordinate Bonds Reserve Requirement, as applicable, with respect to which funds are proposed to be released; and (d) the Trustee is authorized pursuant to the terms of such letter of credit, insurance policy or surety bond to draw thereunder an amount equal to any deficiencies up to the stated amount of the policy which may exist from time to time in (x) the Senior Bonds Interest Account and the Senior Bonds Principal Account pursuant to Sections 4.02(c) of this Indenture or (y) the Subordinate Bonds Interest Account and the Subordinate Bonds Principal Account pursuant to Sections 4.02(e) of this Indenture.

“Rebate Fund” means the fund by that name that has been established pursuant to Section 4.05.

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

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

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

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

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

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

“Reserve Account Excluded Senior Bonds” means any Series of Senior Bonds that have no rights to the Senior Bonds Reserve Account, as provided in Section 3.06(a)(v)(b).

“Reserve Account Excluded Subordinate Bonds” means any Series of Subordinate Bonds that have no rights to the Subordinate Bonds Reserve Account, as provided in Section 3.06(b)(iv)(b).

“Reserve Account Senior Bonds” means any Series of Senior Bonds that have rights to the Senior Bonds Reserve Account, as provided in Section 3.06(a)(v)(a).

“Reserve Account Subordinate Bonds” means any Series of Subordinate Bonds that have rights to the Subordinate Bonds Reserve Account, as provided in Section 3.06(b)(iv)(a).

“Reserve Account Term Senior Bonds” means any Reserve Account Senior Bonds that are Term Senior Bonds.

“Reserve Account Term Subordinate Bonds” means any Reserve Account Senior Bonds that are Term Subordinate Bonds.

“S&P” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, and its successors.

“Salesforce Transit Center” means the new transit facility, as of the date hereof, generally located at First and Mission Streets in downtown San Francisco that is owned by the Authority and replaced the Former Transbay Terminal as part of the Transbay Program.

“Second Debt Service Transfer Date” means (a) during such time as the Subordinate Turbo Bonds are Outstanding, August 15, and (b) during such time as the Subordinate Turbo Bonds are no longer Outstanding, the earlier of (i) five Business Days before the October 1 Interest Payment Date or (ii) the date specified in any Supplemental Indenture.

“Securities Depositories” means The Depository Trust Company, 55 Water Street, New York, New York 10041-0099, Fax (212) 855-7232; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Authority may designate in a Written Request of the Authority delivered to the Trustee.

“Senior Bonds” means the Senior 2020 Bonds and any bonds issued pursuant to a Supplemental Indenture in accordance with Section 3.06 secured by a lien and charge on Pledged Revenues on parity with the lien and charge on Pledged Revenues that secures the Senior 2020 Bonds.

“Senior Bonds Interest Account” means the account by that name established and held by the Trustee pursuant to Section 4.02(b).

“Senior Bonds Principal Account” means the account by that name established and held by the Trustee pursuant to Section 4.02(b).

“Senior Bonds Redemption Account” means the account by that name established and held by the Trustee pursuant to Section 4.02(b).

“Senior Bonds Reserve Account” means the account by that name established and held by the Trustee pursuant to Section 4.02(c).

“Senior Bonds Reserve Requirement” means, as of any date of calculation, with respect to all Outstanding Series of Reserve Account Senior Bonds, an amount equal to the lesser of:

- (i) 125% of the average Annual Debt Service with respect to such Series of Senior Bonds between the date of such calculation and the final maturity of thereof; or
- (ii) Maximum Annual Debt Service with respect to such Series of Senior Bonds between the date of such calculation and the final maturity of thereof; or
- (iii) 10% of the original principal amount of each such Series of Senior Bonds (or, if such Series of Senior Bonds has more than a *de minimis* amount of original issue discount or premium, 10% of the issue price of such Series of Senior Bonds);

provided that, the Senior Bonds Reserve Requirement may be determined on an individual basis with respect to a Series of Senior Bonds or on a combined basis for two or more Series of Senior Bonds, as determined by the Authority; and provided, further, that in no event shall the Authority, in connection with the issuance of Senior Bonds be obligated to deposit an amount (including in the form of a Qualified Reserve Account Credit Instrument) in the Senior Bonds Reserve Account (whether with respect to tax-exempt or taxable bonds) that is in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, in the event the amount of any such deposit into the Senior Bonds Reserve Account is so limited, the Senior Bonds Reserve Requirement shall, in connection with the issuance of such Senior Bonds, be increased only by the amount of such deposit as permitted by the Code; and, provided further that the Authority may meet all or a portion of the Senior Bonds Reserve Requirement by depositing a Qualified Reserve Account Credit Instrument meeting the requirements of Section 4.02(e) hereof. In the event, the Senior Bonds Reserve Requirement is determined on a combined basis for two or more Series of Senior Bonds, such Series of Senior Bonds shall be secured on a parity basis by the Senior Bonds Reserve Account.

“Senior Parity Debt” means any bonds, notes, bond anticipation notes and other obligations or indebtedness to be issued or incurred by the Authority and secured on a parity basis with the Senior Bonds under a Senior Parity Debt Instrument.

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

“Senior 2020 Bonds” means the Senior 2020A Bonds and the Senior 2020A-T Bonds.

“Senior 2020A Bonds” means the Transbay Joint Powers Authority Senior Tax Allocation Bonds, Series 2020A (Tax-Exempt) (Green Bonds).

“Senior 2020A-T Bonds” means the Transbay Joint Powers Authority Senior Tax Allocation Bonds, Series 2020AT (Federally Taxable) (Green Bonds).

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

“Series” whenever used herein with respect to Senior Bonds or Subordinate Bonds, mean all of the Senior Bonds or Subordinate Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction, regardless of variations in maturity, interest rate, redemption and other provisions, and any Senior Bonds or Subordinate Bonds thereafter authenticated and delivered upon transfer or exchange or in lieu of or in substitution for (but not to refund) such Senior Bonds or Subordinate Bonds as herein provided, as provided in a Supplemental Indenture.

“State” means the State of California.

“Subordinate Bonds” means the Subordinate 2020B Bonds and any bonds issued pursuant to a Supplemental Indenture in accordance with Section 3.06 secured by a lien and charge on Pledged Revenues subordinate to the lien and charge on Pledged Revenues that secures the Senior Bonds and on parity to the lien and charge on Pledged Revenues that secures the Subordinate 2020B Bonds.

“Subordinate Bonds Interest Account” means the account by that name established and held by the Trustee pursuant to Section 4.02(d).

“Subordinate Bonds Principal Account” means the account by that name established and held by the Trustee pursuant to Section 4.02(d).

“Subordinate Bonds Redemption Account” means the account by that name established and held by the Trustee pursuant to Section 4.02(d).

“Subordinate Bonds Reserve Account” means the account by that name established and held by the Trustee pursuant to Section 4.02(e).

“Subordinate Bonds Reserve Requirement” means, as of any date of calculation, with respect to all Outstanding Series of Reserve Account Subordinate Bonds, an amount equal to the lesser of:

- (i) 125% of the average Annual Debt Service with respect to such Series of Subordinate Bonds between the date of such calculation and the final maturity of thereof; or
- (ii) Maximum Annual Debt Service with respect to such Series of Subordinate Bonds between the date of such calculation and the final maturity of thereof; or

(iii) 10% of the original principal amount of such Series of Subordinate Bonds (or, if such Series of Subordinate Bonds has more than a *de minimis* amount of original issue discount or premium, 10% of the issue price of such Series of Subordinate Bonds);

provided that, the Subordinate Bonds Reserve Requirement may be determined on an individual basis with respect to a Series of Subordinate Bonds or on a combined basis for two or more Series of Subordinate Bonds, as determined by the Authority; and provided, further, that in no event shall the Authority, in connection with the issuance of Subordinate Bonds be obligated to deposit an amount (including in the form of a Qualified Reserve Account Credit Instrument) in the Subordinate Bonds Reserve Account (whether with respect to tax-exempt or taxable bonds) that is in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, in the event the amount of any such deposit into the Subordinate Bonds Reserve Account is so limited, the Subordinate Bonds Reserve Requirement shall, in connection with the issuance of such Subordinate Bonds, be increased only by the amount of such deposit as permitted by the Code; and, provided further that the Authority may meet all or a portion of the Subordinate Bonds Reserve Requirement by depositing a Qualified Reserve Account Credit Instrument meeting the requirements of Section 4.02(e) hereof. In the event, the Subordinate Bonds Reserve Requirement is determined on a combined basis for two or more Series of Subordinate Bonds, such Series of Subordinate Bonds shall be secured on a parity basis by the Subordinate Bonds Reserve Account.

“Subordinate Parity Debt” means any bonds, notes, bond anticipation notes and other obligations or indebtedness to be issued or incurred by the Authority and secured on a parity basis with the Subordinate Bonds under a Subordinate Parity Debt Instrument.

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

“Subordinate 2020B Bonds” means the \$53,370,000 initial aggregate principal amount of Transbay Joint Powers Authority Subordinate Tax Allocation Bonds, Series 2020B (Tax-Exempt) (Green Bonds)

“Subordinate Turbo Bonds” means the Subordinate 2020B Bonds maturing on October 1, 2049.

“Successor Agency” means the City as the successor agency to the Former Agency.

“Supplemental Indenture” means any supplement to this Indenture which has been duly adopted or entered into by the Authority and complies with the provisions of Section 7.01 of this Indenture.

“Tax Exempt 2020 Bonds” means the Senior 2020A Bonds and the Subordinate 2020B Bonds.

“Tax Exempt Bonds” means the Tax Exempt 2020 Bonds and any additional Series of Bonds on which interest is excluded from the gross income of the owners thereof for federal

income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

“Tax Certificate” means the Tax and Nonarbitrage Certificate, dated June 25, executed by the Authority.

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

“Term Senior Bonds” means Senior Bonds that are Term Bonds.

“Term Subordinate Bonds” means Subordinate Bonds that are Term Bonds.

“Transbay Program” has the meaning given such term in the recitals of this Indenture.

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

“2020 Bonds” means the Senior 2020 Bonds and the Subordinate 2020B Bonds.

“Written Request of the Authority” or **“Written Certificate of the Authority”** means a request or certificate, in writing signed by the Executive Director or Chief Financial Officer of the Authority, or the designee of either, or by any other officer of the Authority duly authorized by the Authority for that purpose.

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

Section 1.04 Business Day Convention. If this Indenture requires any payment to be due and payable or the transfer or deposit of any funds on any day that is not a Business Day, then that payment shall be due and payable on the next succeeding Business Day.

ARTICLE II

AUTHORIZATION AND TERMS

Section 2.01 Authorization of 2020 Bonds. The following initial Series of Bonds are hereby authorized to be issued by the Authority under and subject to the terms of this Indenture and are hereby designated the “Transbay Joint Powers Authority Senior Tax Allocation Bonds, Series 2020A (Tax-Exempt) (Green Bonds),” “Transbay Joint Powers Authority Senior Tax Allocation Bonds, Series 2020A-T (Federally Taxable) (Green Bonds),” and “Transbay Joint Powers Authority Subordinate Tax Allocation Bonds, Series 2020B (Tax-Exempt) (Green Bonds).” The Senior 2020A Bonds, the Senior 2020A-T Bonds, and the Subordinate 2020B Bonds shall be issued in the initial aggregate principal amount of \$189,480,000, \$28,355,000 and

\$53,370,000, respectively. This Indenture constitutes a continuing agreement with the Owners of all of the Senior Bonds and Subordinate Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal and redemption premiums (if any) and the interest on all Senior Bonds and Subordinate Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained.

Section 2.02 Terms of 2020 Bonds. The 2020 Bonds shall be issued in fully registered form without coupons. The 2020 Bonds shall be issued in Authorized Denominations. The 2020 Bonds shall be dated as of their Closing Date. The 2020 Bonds shall be lettered and numbered as the Trustee shall prescribe.

(a) The Senior 2020A Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rate per annum as follows:

<i>Maturity Date (October 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
2020	\$1,735,000	5.000%
2025	3,330,000	5.000
2026	3,500,000	5.000
2027	3,675,000	5.000
2028	3,855,000	5.000
2029	4,050,000	5.000
2030	4,255,000	5.000
2031	4,465,000	5.000
2032	4,690,000	5.000
2033	4,925,000	5.000
2034	5,170,000	5.000
2035	5,430,000	5.000
2036	6,260,000	5.000
2037	7,575,000	5.000
2038	7,950,000	5.000
2039	8,350,000	5.000
2040	8,765,000	5.000
2045	50,865,000	5.000
2049	50,635,000	5.000

(b) The Senior 2020A-T Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rate per annum as follows:

<i>Maturity Date (October 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
2020	\$3,755,000	1.970%
2021	1,915,000	2.050
2022	1,955,000	2.170
2023	2,750,000	2.330
2024	3,545,000	2.420
2025	1,030,000	2.480
2032	8,230,000	3.580
2036	5,175,000	4.050

(c) The Subordinate 2020B Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rate per annum as follows:

<i>Maturity Date (October 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
2020	\$1,130,000	5.000%
2021	550,000	5.000
2022	575,000	5.000
2023	750,000	5.000
2024	935,000	5.000
2025	1,130,000	5.000
2026	1,185,000	5.000
2027	1,245,000	5.000
2028	1,310,000	5.000
2029	1,370,000	5.000
2030	1,440,000	5.000
2031	1,515,000	5.000
2032	1,590,000	5.000
2033	1,665,000	5.000
2034	1,750,000	5.000
2035	1,840,000	5.000
2038	4,745,000	5.000
2049	28,645,000	2.400

Each 2020 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before September 15, 2020, in which event it shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of

any 2020 Bond, interest thereon is in default, such 2020 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the 2020 Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed on the Interest Payment Date to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of any Series of the 2020 Bonds, which written request is on file with the Trustee as of any Record Date, interest on such 2020 Bonds shall be paid on the succeeding Interest Payment Date by wire to such account in the United States as shall be specified in such written request. The principal of the 2020 Bonds and premium, if any, upon redemption, are payable in lawful money of the United States of America upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee.

Section 2.03 Redemption of 2020 Bonds.

(a) Optional Redemption. The 2020 Bonds maturing on or before October 1, 2029 will not be subject to optional redemption prior to their maturity. The 2020 Bonds maturing on or after October 1, 2030 will be subject to redemption on any date on or after April 1, 2030, as a whole or in part, by such maturities as determined by the Authority, from any available source of funds, at a redemption price equal to the principal amount of 2020 Bonds called for redemption, plus accrued interest thereon to the redemption date, without premium.

(b) Mandatory Redemption from Excess Pledged Revenues. The Subordinate Turbo Bonds are subject to mandatory redemption, on October 1 of each year in which any such Subordinate Turbo Bonds remain Outstanding, from and to the extent of amounts on deposit in the Excess Pledged Revenues Fund, in Authorized Denominations, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

So long as the Subordinate Turbo Bonds are Outstanding, no later than September 1 of each year, the Trustee shall deliver a written notice to the Authority that sets forth the amount of Excess Pledged Revenues in the Excess Pledged Revenues Fund as of the Second Debt Service Transfer Date and the principal amount of Subordinate Turbo Bonds which will be redeemed from Excess Pledged Revenues on the following October 1.

(c) Mandatory Sinking Fund Redemption.

(i) The Senior 2020A Bonds maturing on October 1, 2045 and October 1, 2049 (the "Senior 2020A Term Bonds") will also be subject to redemption on October 1 in each of the years as set forth in the following table, from mandatory sinking fund payments made by the Authority, at a redemption price equal to the principal amount of such Senior 2020A Term Bonds to be redeemed together with accrued interest thereon to the redemption date, without premium (or in lieu thereof will be purchased as described below, in the aggregate respective principal amounts and on the respective dates as set forth in the following table); provided, however, that if some but not all of such Senior 2020A Term Bonds have been optionally redeemed, the total amount of all future mandatory sinking fund payments with respect to such Senior 2020A Term Bonds will be reduced by the aggregate principal

amount of Senior 2020A Term Bonds so optionally redeemed, to be allocated among such mandatory sinking fund payments on a pro rata basis in Authorized Denominations as determined by the Authority; provided however, that in lieu of redemption thereof such Senior 2020A Term Bonds may be purchased by the Authority pursuant to Section 2.03(h).

Senior 2020A Term Bonds maturing October 1, 2045

Redemption Date (October 1)	Principal Amount
2041	\$9,205,000
2042	9,665,000
2043	10,150,000
2044	10,655,000
2045 (maturity)	11,190,000

Senior 2020A Term Bonds maturing October 1, 2049

Redemption Date (October 1)	Principal Amount
2046	\$11,750,000
2047	12,335,000
2048	12,950,000
2049 (maturity)	13,600,000

(ii) The Senior 2020A-T Bonds maturing on October 1, 2032 and October 1, 2036 (the “Senior 2020A-T Term Bonds”) will also be subject to redemption on October 1 in each of the years as set forth in the following table, from mandatory sinking fund payments made by the Authority, at a redemption price equal to the principal amount of such Senior 2020A-T Term Bonds to be redeemed together with accrued interest thereon to the redemption date, without premium (or in lieu thereof will be purchased as described below, in the aggregate respective principal amounts and on the respective dates as set forth in the following table); provided, however, that if some but not all of such Senior 2020A-T Term Bonds have been optionally redeemed, the total amount of all future mandatory sinking fund payments with respect to such Senior 2020A-T Term Bonds will be reduced by the aggregate principal amount of Senior 2020A-T Term Bonds so optionally redeemed, to be allocated among such mandatory sinking fund payments on a pro rata basis in Authorized Denominations as determined by the Authority; provided however, that in lieu of redemption thereof such Senior 2020A-T Term Bonds may be purchased by the Authority pursuant to Section 2.03(h).

Senior 2020A-T Term Bonds maturing October 1, 2032

Redemption Date (October 1)	Principal Amount
2026	\$1,055,000
2027	1,090,000
2028	1,135,000
2029	1,175,000
2030	1,215,000
2031	1,260,000
2032 (maturity)	1,300,000

Senior 2020A-T Term Bonds maturing October 1, 2036

Redemption Date (October 1)	Principal Amount
2033	\$1,350,000
2034	1,405,000
2035	1,460,000
2036 (maturity)	960,000

(iii) The Subordinate 2020B Bonds maturing on October 1, 2038 and October 1, 2049 (the “Subordinate 2020B Term Bonds”) will also be subject to redemption on October 1 in each of the years as set forth in the following table, from mandatory sinking account payments made by the Authority, at a redemption price equal to the principal amount of such Subordinate 2020B Term Bonds to be redeemed together with accrued interest thereon to the redemption date, without premium (or in lieu thereof will be purchased as described below, in the aggregate respective principal amounts and on the respective dates as set forth in the following table); provided, however, that if some but not all of such Subordinate 2020B Term Bonds have been optionally redeemed, the total amount of all future mandatory sinking account payments with respect to such Subordinate 2020B Term Bonds will be reduced by the aggregate principal amount of Subordinate 2020B Term Bonds so optionally redeemed, to be allocated among such mandatory sinking account payments on a pro rata basis in Authorized Denominations as determined by the Authority; provided however, that in lieu of redemption thereof such Subordinate 2020B Term Bonds may be purchased by the Authority pursuant to Section 2.03(i).

Subordinate 2020B Term Bonds maturing October 1, 2038

Redemption Date (October 1)	Principal Amount
2036	\$1,930,000
2037	2,025,000
2038 (maturity)	790,000

Subordinate 2020B Term Bonds maturing October 1, 2049

<u>Redemption Date (October 1)</u>	<u>Principal Amount</u>
2038	\$1,340,000
2039	2,195,000
2040	2,250,000
2041	2,305,000
2042	2,360,000
2043	2,415,000
2044	2,475,000
2045	2,535,000
2046	2,595,000
2047	2,660,000
2048	2,725,000
2049 (maturity)	2,790,000

(iv) The principal amount of any Subordinate Turbo Bonds redeemed from Excess Pledged Revenues pursuant to Section 2.03(b) shall reduce the amount of any mandatory sinking account payments of Subordinate Turbo Bonds pursuant to this Section 2.03(c) in inverse order of the year in which the mandatory sinking account payment is required to be made.

(v) The Authority shall provide the Trustee with a revised sinking fund schedule reflecting the reductions described in this Section 2.03(c) as they occur.

(d) Notice of Redemption; Rescission. The Trustee on behalf and at the expense of the Authority shall mail (by first class mail, postage prepaid) notice of any redemption at least twenty (20) but not more than sixty (60) days prior to the redemption date, (i) to the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Securities Depositories and the Information Services; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state, solely in the case of a redemption pursuant to clause (a) above, that such redemption is conditioned upon the timely delivery of the redemption price by the Authority to the Trustee for deposit in the Senior Bonds Redemption Account or the Subordinate Bonds Redemption Account, as applicable, shall designate the CUSIP number of the Bonds to be redeemed, and shall require that such Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

The Authority shall have the right to rescind any notice of optional redemption pursuant to clause (a) above by written notice to the Trustee on or prior to the date fixed for redemption.

Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Authority and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent. Redemption notices may state that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Bonds.

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

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

(g) Manner of Redemption. Except for any redemption of the Subordinate Turbo Bonds pursuant to Section 2.03(b), in the event of any redemption of any Tax Exempt 2020 Bonds in part, the Trustee shall select those Tax Exempt Bonds to be redeemed within that maturity by lot. Whenever any Tax Exempt 2020 Bonds or portions thereof or any other Series of Bonds or portions thereof that are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the Authority thereof to the extent such Series of Bonds are no longer held in book-entry form.

In the event of any redemption of the Senior 2020A-T Bonds or a redemption of the Subordinate Turbo Bonds pursuant to Section 2.03(b), the following provisions shall apply.

If such Senior 2020A-T Bonds or the Subordinate Turbo Bonds are registered in book-entry only form as provided in Section 2.10 and so long as the Depository is the sole registered owner of such Senior 2020A-T Bonds or the Subordinate Turbo Bonds, as the case may be, if less than all of the Senior 2020A-T Bonds of a maturity or less than all of the Subordinate Turbo Bonds are called for prior redemption, the Senior 2020A-T Bonds or portions thereof or the Subordinate Turbo Bonds or portions thereof to be redeemed shall be allocated on a *pro rata* pass-through distribution of principal basis in accordance with the procedures of the Depository, provided that, the selection for redemption of such Senior 2020A-T Bonds or Subordinate Turbo Bonds shall be made in accordance with the operational arrangements of the Depository then in effect, and, if the Depository's operational arrangements do not allow for redemption on a *pro rata* pass-through distribution of principal basis, such Senior 2020A-T Bonds or the Subordinate Turbo Bonds will be selected for redemption, in accordance with the Depository's procedures, by lot.

The Authority intends that redemption allocations made by the Depository be made on a *pro rata* pass-through distribution of principal basis as described above. However, neither the Authority nor the Trustee assumes any liability in the event that the Depository, any Depository System Participant or any other intermediary allocates the redemption of Senior 2020A-T Bonds or the Subordinate Turbo Bonds on other than such basis.

In connection with any repayment of principal, including payments of scheduled mandatory sinking fund payments, the Trustee will direct the Depository to make a pass-through distribution of principal to the Owners of the Senior 2020A-T Bonds.

For purposes of calculation of the “pro rata pass-through distribution of principal,” “pro rata” means, for any amount of principal to be paid, the application of a fraction to each denomination of the Senior 2020A-T Bonds or the Subordinate Turbo Bonds where (a) the numerator of which is equal to the amount due to the respective Owners on a payment date, and (b) the denominator of which is equal to the total original par amount of the Senior 2020A-T Bonds or the Subordinate Turbo Bonds.

If the Senior 2020A-T Bonds or the Subordinate Turbo Bonds are no longer registered in book-entry-only form, each Owner will receive an amount of such Senior 2020A-T Bonds or the Subordinate Turbo Bonds equal to the original face amount then beneficially held by that Owner, registered in such Owner’s name. Thereafter, any redemption of less than all of the Senior 2020A-T Bonds or less than all of the Subordinate Turbo Bonds will continue to be paid to the Owners of such Senior 2020A-T Bonds on a pro-rata basis, based on the portion of the original face amount of the Senior 2020A-T Bonds or Subordinate Turbo Bonds to be redeemed.

(h) Purchase of Senior 2020 Bonds in Lieu of Redemption. In lieu of redemption of Senior 2020 Bonds of a maturity pursuant to Section 2.03(c), amounts on deposit in the Senior Bonds Principal Account may also be used and withdrawn by the Authority and the Trustee, respectively, at any time, upon the Written Request of the Authority, for the purchase of the Senior 2020 Bonds of like maturity at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Senior Bonds Interest Account) as the Authority may in its discretion determine. The par amount of any Senior 2020 Bonds so purchased by the Authority in any twelve-month period ending on October 1 in any year shall be credited towards and shall reduce the par amount of the Senior 2020 Bonds required to be redeemed on October 1 in each year; provided that evidence satisfactory to the Trustee of such purchase has been delivered to the Trustee by said October 1.

(i) Purchase of Subordinate 2020B Bonds in Lieu of Redemption. In lieu of redemption of Subordinate 2020B Bonds of a maturity pursuant to Section 2.03(c), amounts on deposit in the Subordinate Bonds Principal Account may also be used and withdrawn by the Authority and the Trustee, respectively, at any time, upon the Written Request of the Authority, for the purchase of the Subordinate 2020B Bonds of like maturity at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Subordinate Bonds Interest Account) as the Authority may in its discretion determine. The par amount of any Subordinate 2020B Bonds so purchased by the Authority in any twelve-month period ending on October 1 in any year shall be credited towards and shall reduce the par amount of the Subordinate 2020B Bonds required to be redeemed on

October 1 in each year; provided that evidence satisfactory to the Trustee of such purchase has been delivered to the Trustee by said October 1.

All Bonds redeemed or purchased pursuant to this Section 2.03 shall be cancelled and destroyed.

Section 2.04 Form of 2020 Bonds. The 2020 Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the form set forth in Exhibit A. Exhibit A is attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

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

Only such of the Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore set forth, manually or electronically executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such Certificate shall be conclusive evidence that such Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

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

The Trustee may refuse to transfer, under the provisions of this Section 2.06, either (a) any Bonds during the period fifteen (15) days prior to the date established by the Trustee for the selection of Bonds for redemption, or (b) any Bonds selected by the Trustee for redemption. The Trustee may further require all information it deems necessary to allow the Trustee to comply with any applicable reporting or withholding obligations under the Code. The Trustee

may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information. To the extent any such information is not timely provided or is incomplete or inaccurate in any respect, the Trustee will be entitled to report or withhold on any payments hereunder, without liability, to the extent it determines in its discretion such reporting or withholding, as applicable, is required under the Code.

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

The Trustee may refuse to exchange, under the provisions of this Section 2.07, either (a) any Bonds during the fifteen (15) days prior to the date established by the Trustee for the selection of Bonds for redemption or (b) any Bonds selected by the Trustee for redemption. The Trustee may further require all information it deems necessary to allow the Trustee to comply with any applicable reporting or withholding obligations under the Code, including without limitation any cost basis reporting obligations. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information. To the extent any such information is not timely provided or is incomplete or inaccurate in any respect, the Trustee will be entitled to report or withhold on any payments hereunder, without liability, to the extent it determines in its discretion such reporting or withholding, as applicable, is required under the Code.

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

Section 2.09 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the Authority, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and amount in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond has matured or has been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee and the Authority). The Authority may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.09 and of the expenses which may

be incurred by the Authority and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued pursuant to this Indenture.

Section 2.10 Book-Entry System.

(a) Original Delivery. The Bonds shall be initially delivered in the form of a separate single fully registered Bond without coupons (which may be typewritten) for each maturity of each Series of the Bonds. Upon initial delivery, the ownership of each such Bond shall be registered on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, neither the Authority nor the Trustee shall have any responsibility or obligation to any Depository System Participant or to any person on behalf of which the Depository System Participant holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, neither the Authority nor the Trustee shall have any responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bondowner as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the Authority elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bondowner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The Authority and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal, premium and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and interest and premium, if any, on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than a Bondowner shall receive a Bond evidencing the obligation of the Authority to make payments of principal, interest and premium, if any, pursuant to this Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Authority shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the Authority shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Authority or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Bondowners. The Trustee agrees to comply with all provisions in such letter with respect to the giving of notices thereunder by the Trustee. In addition to the execution and delivery of such letter, upon written request of the Depository or the Trustee, the Authority may take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the Authority determines to terminate the Depository as such, then the Authority shall thereupon discontinue the book-entry system with such Depository. If, prior to the termination of the Depository acting as such, the Authority fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Article II. Prior to its termination, the Depository shall furnish the Trustee with the names and addresses of the Depository System Participants and respective ownership interests thereof.

(d) Payments and Delivery of Notices to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

Section 2.11 Applicability of Provisions to Bonds. Unless otherwise provided in a Supplemental Indenture, the provisions of Sections 2.05 through 2.10 shall apply to all Bonds.

ARTICLE III

DEPOSIT AND APPLICATION; ADDITIONAL DEBT

Section 3.01 Issuance of 2020 Bonds. Upon the execution and delivery of this Indenture, the Authority shall execute and deliver to the Trustee the Senior 2020A Bonds, the Senior 2020A-T Bonds, and the Subordinate 2020B Bonds in the aggregate principal amount of \$189,480,000, \$28,355,000 and \$53,370,000, respectively, and the Trustee shall authenticate and deliver the 2020 Bonds upon the Written Request of the Authority.

Section 3.02 Application of Proceeds of Sale and Certain Other Amounts. On the Closing Date, the net proceeds of sale of the Senior 2020A Bonds, being \$227,007,425.47 (calculated as the par amount thereof, plus original issue premium in the amount of \$38,485,667.40 less the discount of the original purchasers thereof in the amount of \$958,241.93, the Senior 2020A-T Bonds, being \$28,211,602.55 (calculated as the par amount thereof, less the

discount of the original purchasers thereof in the amount of \$143,397.45, and the Subordinate 2020B Bonds, being \$56,893,422.91 (calculated as the par amount thereof, plus original issue premium in the amount of \$3,913,409.25 less the discount of the original purchasers thereof in the amount of \$389,986.34), shall be paid to the Trustee and deposited into the Bond Proceeds Fund.

Section 3.03 Establishment and Application of Bond Proceeds Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the “Bond Proceeds Fund.” Upon the receipt of moneys in the Bond Proceeds Fund, the Trustee shall promptly:

- (i) Deposit the amount of \$980,971.37 in the Costs of Issuance Fund;
- (ii) Transfer the amount of \$182,129,963.15 to United States Department of Transportation, to be applied to pay off the TIFIA Loan;
- (iii) Deposit the amount of \$14,282,000.00 in the 2020 Senior Reserve Account;
- (iv) Deposit the amount of \$2,858,730.00 in the 2020 Subordinate Reserve Account;
- (v) Deposit the amount of \$65,729,140.21 in the Construction Fund;
- (vi) Transfer to the Authority the amount of \$19,589,254.59 as a reimbursement of Construction Costs;
- (vii) Transfer to the Authority the amount of \$26,542,391.61 constituting Capital Replacement Reserves.

Upon the completion of such deposits and transfers, the Bond Proceeds Fund shall thereafter be closed. The Trustee may establish temporary funds or accounts in its records to record and facilitate such transfers.

Section 3.04 Costs of Issuance Fund. There is hereby established a separate fund to be known as the “Costs of Issuance Fund”, which shall be held by the Trustee in trust. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance with respect to any 2020 Bonds upon submission of a Written Request of the Authority stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund and has not been the basis of any previous disbursement. Each such Written Request of the Authority shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On the date which is six (6) months following the Closing Date with respect to the 2020 Bonds, or upon the earlier Written Request of the Authority, all amounts (if any) remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Senior Bonds Interest Account and used to pay interest on the Senior 2020 Bonds, and the Costs of Issuance Fund shall be closed.

Section 3.05 Construction Fund. The Construction Fund and accounts therein are to be established and maintained by the Trustee to fund Construction Costs, as follows:

(a) The Trustee shall hold the moneys in the Construction Fund and shall disburse such moneys therefrom to pay Construction Costs. Such disbursements shall be made from time to time upon receipt of a Written Request of the Authority (in the form as set forth in Exhibit B hereto), upon which the Trustee may conclusively reply, without investigation, which: (i) states with respect to each disbursement to be made: (A) the requisition number, (B) the name and address of the person, firm or authority to whom payment is due, (C) the amount to be disbursed, and (D) that each obligation therein has been properly incurred, is a Construction Cost and is a proper charge against the Construction Fund and has not been the basis of any previous disbursement; (ii) specifies in reasonable detail the nature of the obligations; (iii) is accompanied by a bill or statement of account for each obligations.

(b) If at any time there are insufficient moneys in the Costs of Issuance Fund to disburse moneys in accordance with Section 3.04 hereof, the Trustee shall disburse from the Construction Fund, subject to this Section 3.05, such additional amounts as are necessary to pay such Costs of Issuance.

Upon the delivery to the Trustee of a Certificate of Closing of Construction Fund, the Trustee shall transfer any remaining balance of money in the Construction Fund, first, to the Rebate Fund to the extent the amount on deposit therein is less than any amounts due, and then the remainder to the Excess Pledged Revenues Account and used to redeem the Subordinate Turbo Bonds under Section 2.03(b) (unless some other application of such moneys would not, in the opinion of Bond Counsel, adversely affect the tax-exempt status of interest on the Tax-Exempt Bonds, in which case such moneys shall be applied to such application).

Section 3.06 Issuance of Additional Series of Bonds.

(a) Issuance of Additional Series of Senior Bonds. In addition to the Senior 2020 Bonds, the Authority may issue additional Series of Senior Bonds in such principal amount as shall be determined by the Authority, subject to the satisfaction of the following specific conditions precedent, satisfaction of such conditions precedent which shall be evidenced by an officer's certificate of the Authority delivered to the Trustee:

(i) no Subordinate Turbo Bonds are Outstanding;

(ii) the Pledged Revenues to which the Authority is entitled or estimated to be entitled under the Pledge Agreement for the then-Fiscal Year based on the most recent assessed valuation of the Former State Owned Parcels as evidenced in the written records of the City, plus at the option of the Authority the amount of any Additional Revenues, shall be at least equal to 150% of Maximum Annual Debt Service on the Senior Bonds which will be Outstanding immediately following the issuance of such Series of Senior Bonds;

(iii) the Pledged Revenues to which the Authority is entitled or estimated to be entitled under the Pledge Agreement for the then-Fiscal Year based on the most recent assessed valuation of the Former State Owned Parcels as evidenced in the

written records of the City, plus the amount of Additional Revenues, shall be at least equal to 125% of Maximum Annual Debt Service on the Senior Bonds and Subordinate Bonds which will be Outstanding immediately following the issuance of such Series of Senior Bonds;

(iv) the Supplemental Indenture for the issuance and delivery of such Series of Senior Bonds shall provide that interest thereon shall be payable on Interest Payment Dates, and any principal thereof due and payable in any year shall be payable on October 1 of such year (and principal on any such Series of Senior Bonds may not be subject to acceleration or declared due and payable in advance of its scheduled maturity, or any such Series of Senior Bonds required to be redeemed other than scheduled mandatory redemption dates from mandatory sinking fund payments or turbo redemption); and

(v) the Supplemental Indenture providing for issuance of such Senior Bonds (a) shall provide for a deposit to the Senior Bonds Reserve Account in an amount necessary such that the amount deposited therein shall equal the Senior Bonds Reserve Requirement following issuance of such Series of Senior Bonds, or (b) shall designate such Senior Bonds as “Reserve Account Excluded Senior Bonds” and the Supplemental Indenture pursuant to which such Series of Senior Bonds shall expressly declare that the Owners of such Series of Reserve Account Excluded Senior Bonds will have no interest in or claim to the Senior Bonds Reserve Account;

provided, however, that if the additional Series of Senior Bonds is being issued solely to refund Outstanding Senior Bonds, and in each Bond Year the aggregate Annual Debt Service on the proposed Senior Bonds to be issued, together with the aggregate Annual Debt Service on all other Outstanding Senior Bonds after the issuance of the proposed Series of refunding Senior Bonds, is equal to or lower than the aggregate Annual Debt Service on all Senior Bonds Outstanding before giving effect to the issuance of the proposed Series of refunding Senior Bonds for each Bond Year during which any such Series of Senior Bonds (other than the Series of refunding Senior Bonds) is scheduled to be Outstanding, then the Authority may issue such refunding Series of Senior Bonds without satisfying the condition (i), (ii) or (iii) above.

(b) Issuance of Additional Series of Subordinate Bonds. In addition to the Subordinate 2020B Bonds, the Authority may issue additional Series of Subordinate Bonds in such principal amount as shall be determined by the Authority, subject to the following specific conditions precedent, satisfaction of such conditions precedent which shall be evidenced by an officer’s certificate of the Authority delivered to the Trustee:

(i) no Subordinate Turbo Bonds are Outstanding;

(ii) the Pledged Revenues to which the Authority is entitled or estimated to be entitled under the Pledge Agreement for the then-Fiscal Year based on the most recent assessed valuation of the Former State Owned Parcels as evidenced in the written records of the City, plus at the option of the Authority the amount of any Additional Revenues, shall be at least equal to 125% of Maximum Annual Debt Service

on all Senior Bonds and Subordinate Bonds which will be Outstanding immediately following the issuance of such Series of Subordinate Bonds;

(iii) the Supplemental Indenture providing for the issuance and delivery of such Series of Subordinate Bonds shall provide that interest thereon shall be payable on Interest Payment Dates, and any principal thereof due and payable in any year shall be payable on October 1 of such year (and principal on any such Series of Subordinate Bonds may not be subject to acceleration or declared due and payable in advance of its scheduled maturity, or any such Series of Subordinate Bonds required to be redeemed other than scheduled mandatory redemption dates from mandatory sinking account payments or turbo redemption); and

(iv) the Supplemental Indenture providing for issuance of such Subordinate Bonds (a) shall provide for a deposit to the Subordinate Bonds Reserve Account in an amount necessary such that the amount deposited therein shall equal the Subordinate Bonds Reserve Requirement following issuance of such Series of Subordinate Bonds or (b) shall designate such Subordinate Bonds as “Reserve Account Excluded Subordinate Bonds” and the Supplemental Indenture pursuant to which such Series of Subordinate Bonds shall expressly declare that the Owners of such Series of Reserve Account Excluded Subordinate Bonds will have no interest in or claim to the Subordinate Bonds Reserve Account;

provided, however, if an additional Series of Subordinate Bonds is being issued solely to refund Outstanding Senior Bonds or Subordinate Bonds, and in each Bond Year the aggregate Annual Debt Service on the proposed Series of Subordinate Bonds to be issued, together with the aggregate Annual Debt Service on all other Outstanding Senior Bonds and Subordinate Bonds after the issuance of the proposed Series of refunding Subordinate Bonds, is equal to or lower than the aggregate Annual Debt Service on all Senior Bonds and Subordinate Bonds Outstanding before giving effect to the issuance of the proposed Series of refunding Subordinate Bonds for each Bond Year during which any such Series of Senior Bonds or Subordinate Bonds (other than the Series of refunding Subordinate Bonds) is scheduled to be Outstanding, then the Authority may issue such refunding Series of Subordinate Bonds without satisfying the condition (i) or (ii) above.

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

Section 4.01 Security of Bonds; Equal Security.

(a) The Senior Bonds shall be equally secured by a pledge of, security interest in and lien on all of the Pledged Revenues, and (i) a first pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund and (ii) a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Senior Bonds Interest Account, the Senior Bonds Principal Account and the Senior Bonds Redemption Account therein, without preference or priority for Series, issue, number, dated date, sale date, date of execution or date of delivery. The Reserve Account Senior Bonds shall be additionally secured by a first and exclusive pledge

of, security interest in and lien upon all of the moneys in the Senior Bonds Reserve Account established by Section 4.02(c). Except for the Pledged Revenues and such other moneys expressly pledged in this Indenture as security for the Senior Bonds, no funds or properties of the Authority shall be pledged to, or otherwise liable for, the payment of principal of or interest on the Senior Bonds.

(b) The Subordinate Bonds shall be equally secured by a pledge of, security interest in and lien on all of the Pledged Revenues on a basis subordinate to the payment of debt service on the Senior Bonds and amounts required to be deposited to the Senior Bonds Interest Account, Senior Bonds Principal Account and Senior Bonds Reserve Account pursuant to Section 4.03(a) and (b) and Section 4.04(a), (b) and (c), and (i) a pledge of, security interest in and lien upon all of the moneys in Debt Service Fund subject only to the prior and senior pledge of, security interest in and lien on all of the Pledged Revenues therein in favor of the Senior Bonds and (ii) a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Subordinate Bonds Interest Account, the Subordinate Bonds Principal Account and the Subordinate Bonds Redemption Account, without preference or priority for Series, issue, number, dated date, sale date, date of execution or date of delivery. The Reserve Account Subordinate Bonds shall be additionally secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Subordinate Bonds Reserve Account established by Section 4.02(e). Except for the Pledged Revenues and such other moneys expressly pledged in this Indenture as security for the Subordinate Bonds, no funds or properties of the Authority shall be pledged to, or otherwise liable for, the payment of principal of or interest on the Subordinate Bonds.

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

Section 4.02 Debt Service Fund and Related Funds and Accounts. There is hereby established the funds and accounts:

(a) Debt Service Fund. There is hereby established a trust fund to be known as the Debt Service Fund, which shall be held by the Trustee hereunder in trust. The Trustee shall immediately deposit any Pledged Revenues it receives from the Authority, the Successor Agency or the City into the Debt Service Fund including as pursuant to the Irrevocable Instruction Letter. The Authority shall use its best efforts to instruct the Successor Agency to deliver any Pledged Revenues by January 15 and July 15 with respect to the January 2 and June 1 Redevelopment Property Tax Trust Fund distribution dates currently referenced in the Dissolution Act, respectively, directly to the Trustee to be deposited in the Debt Service Fund. If the Authority receives any Pledged Revenues, the Authority shall promptly, and in any event no

later than two Business Days after receipt, transfer all Pledged Revenues it receives under the Pledge Agreement to the Trustee to be deposited in the Debt Service Fund. The Trustee shall retain all amounts on deposit in the Debt Service Fund until and to the extent required by this Article IV.

(b) Senior Bonds Accounts. There are hereby established the following accounts, which the Trustee shall hold in trust hereunder:

(i) *Senior Bonds Interest Account.* All moneys in the Senior Bonds Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Senior Bonds as it shall become due and payable.

(ii) *Senior Bonds Principal Account.* All moneys in the Senior Bonds Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Senior Bonds as it shall become due and payable and the principal of the Term Senior Bonds as it shall become due and payable upon redemption or otherwise

(iii) *Senior Bonds Redemption Account.* All moneys in the Senior Bonds Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Senior Bonds to be redeemed pursuant to Section 2.03(a) on the date set for such redemption.

(c) Senior Bonds Reserve Account. There is hereby established a Senior Bonds Reserve Account, which the Trustee shall hold in trust hereunder, and which shall be subject to the following terms and conditions:

(i) The Senior Bonds Reserve Account shall serve solely as security for payments payable by the Authority with respect to the Reserve Account Senior Bonds.

(ii) Except as provided below in this Section 4.02(c), all money in the Senior Bonds Reserve Account and any subaccount thereof shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Senior Bonds Interest Account and the Senior Bonds Principal Account to pay debt service on the Reserve Account Senior Bonds, in the event of any deficiency at any time in any of such accounts in the following manner and in the following order of priority:

(A) On any Interest Payment Date, if the amount on deposit in the Senior Bonds Interest Account shall be insufficient to pay interest on the Reserve Account Senior Bonds due and payable on such Interest Payment Date, then the Trustee shall withdraw the amount of such insufficiency from the Senior Bonds Reserve Account and deposit such amount in the Senior Bonds Interest Account; and

(B) On any October 1 Interest Payment Date, if the amount on deposit in the Senior Bonds Principal Account shall be insufficient to pay the sum of (i) the aggregate amount of principal coming due and payable on such October 1 Interest Payment Date on the Reserve Account Senior Bonds and (ii) the aggregate principal

amount of the Reserve Account Term Senior Bonds required to be redeemed on such October 1 Interest Payment Date, then the Trustee shall withdraw the amount of such insufficiency from the Senior Bonds Reserve Account and deposit such amount in the Senior Bonds Principal Account.

(iii) If, on any Second Debt Service Transfer Date or on the date of any retirement of Reserve Account Senior Bonds or defeasance of Reserve Account Senior Bonds pursuant to Article IX hereof, the amount in the Senior Bonds Reserve Account and any subaccount thereof is in excess of the Senior Bonds Reserve Requirement, the Trustee shall withdraw such surplus and deposit such amount in the Senior Bonds Interest Account for the payment of debt service solely on the Reserve Account Senior Bonds before giving effect to any transfer from the Debt Service Fund under Section 4.04(a) below. For purposes of calculating the Senior Bonds Reserve Requirement as of any Second Debt Service Transfer Date, the Trustee shall calculate the Senior Bonds Reserve Requirement as of the next October 1 after giving effect to any scheduled payments of principal of Reserve Account Senior Bonds and any scheduled redemption of Reserve Account Term Senior Bonds that will be paid from amounts on deposit in the Senior Bonds Principal Account after giving effect to the deposit into the Senior Bonds Principal Account in Section 4.04(b) below. All amounts in the Senior Bonds Reserve Account and any subaccount thereof on the Business Day preceding the final Interest Payment Date with respect to the Reserve Account Senior Bonds shall be withdrawn from the Senior Bonds Reserve Account and any subaccount thereof and shall be transferred to the Senior Bonds Interest Account and the Senior Bonds Principal Account, in such order, to the extent required to make the deposits then required to be made pursuant to Section 4.03 and Section 4.04 for the payment of debt service solely on the Reserve Account Senior Bonds. Additionally, amounts on deposit in the Senior Bonds Reserve Account and any subaccount thereof may be released in connection with the issuance of bonds or other obligations issued to refund Reserve Account Senior Bonds, provided that amounts remaining on deposit therein after such release shall be equal to the Senior Bonds Reserve Requirement.

(iv) The Authority shall have the right at any time to direct the Trustee to release funds from the Senior Bonds Reserve Account or any subaccount thereof, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Account Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause the exclusion of interest on the Senior Bonds that are Tax Exempt Bonds from gross income for federal income tax purposes to be adversely affected. Upon tender of such items to the Trustee, and upon delivery by the Authority to the Trustee of written calculation of the amount permitted to be released from the Senior Bonds Reserve Account or any subaccount thereof (upon which calculation the Trustee may conclusively rely), the Trustee shall transfer such funds from the Senior Bonds Reserve Account or any subaccount thereof to the Authority and applied as provided in the opinion of Bond Counsel noted above.

(v) The Trustee shall comply with all documentation relating to a Qualified Reserve Account Credit Instrument as shall be required to maintain such

Qualified Reserve Account Credit Instrument in full force and effect and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this paragraph (c).

(vi) If the Senior Bonds Reserve Requirement is being maintained partially in cash and Permitted Investments and partially with a Qualified Reserve Account Credit Instrument, to the extent that the Trustee makes any withdrawals from the Senior Bonds Reserve Account under Section 4.02(c)(ii) above, the Trustee shall withdraw all the cash and Permitted Investments first before making any draw under any such Qualified Reserve Account Credit Instrument. If the Senior Bonds Reserve Requirement is being maintained with two or more Qualified Reserve Account Credit Instruments, any draw pursuant to Section 4.02(c)(ii) above shall be *pro rata* with respect to each such instrument.

(vii) In the event that a Qualified Reserve Account Credit Instrument delivered with respect to a Series of Reserve Account Senior Bonds is available to be drawn upon for only one Series of Reserve Account Senior Bonds, a separate subaccount in the Senior Bonds Reserve Account may be established for such Series, and the calculation of the Senior Bonds Reserve Requirement with respect to all other Reserve Account Senior Bonds shall exclude the debt service on such Series of Reserve Account Senior Bonds, and the Reserve Account Senior Bonds secured by such Qualified Reserve Account Credit Instrument shall not have access to any other amounts on deposit in the Senior Bonds Reserve Account or subaccount thereof. Additionally, the Senior Bonds Reserve Account may be maintained in the form of one or more separate sub-accounts which are established for the purpose of holding the proceeds of separate Series of the Senior Bonds in conformity with applicable provisions of the Code to the extent directed in a Written Instruction of the Authority. Additionally, the Authority may, in its discretion, combine amounts on deposit in the Senior Bonds Reserve Account and on deposit in any reserve account relating to any (but not necessarily all) Reserve Account Senior Bonds in order to maintain a combined reserve account for the Reserve Account Senior Bonds and subject to the definition of Senior Bonds Reserve Requirement.

(d) Subordinate Accounts. There are hereby established the following accounts, which the Trustee shall hold in trust hereunder:

(i) *Subordinate Bonds Interest Account.* All moneys in the Subordinate Bonds Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Subordinate Bonds as it shall become due and payable.

(ii) *Subordinate Bonds Principal Account.* All moneys in the Subordinate Bonds Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Subordinate Bonds as it shall become due and payable and the principal of the Term Subordinate Bonds as it shall become due and payable upon redemption or otherwise.

(iii) *Subordinate Bonds Redemption Account.* All moneys in the Subordinate Bonds Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Subordinate Bonds to be redeemed pursuant to Section 2.03(a) on the date set for such redemption.

(e) Subordinate Bonds Reserve Account. There is hereby established a Subordinate Bonds Reserve Account, which the Trustee shall hold in trust hereunder, and which shall be subject to the following terms and conditions:

(i) The Subordinate Bonds Reserve Account shall serve solely as security for payments payable by the Authority with respect to the Reserve Account Subordinate Bonds.

(ii) Except as provided below in this Section 4.02(e), all money in the Subordinate Bonds Reserve Account and any subaccount thereof shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Subordinate Bonds Interest Account and the Subordinate Bonds Principal Account to pay debt service on the Reserve Account Subordinate Bonds, in the event of any deficiency at any time in any of such accounts in the following manner and in the following order of priority:

(A) On any Interest Payment Date, if the amount on deposit in the Subordinate Bonds Interest Account shall be insufficient to pay interest on the Reserve Account Subordinate Bonds due and payable on such Interest Payment Date, then the Trustee shall withdraw the amount of such insufficiency from the Subordinate Bonds Reserve Account and deposit such amount in the Subordinate Bonds Interest Account; and

(B) On any October 1 Interest Payment Date, if the amount on deposit in the Subordinate Bonds Principal Account shall be insufficient to pay the sum of (i) the aggregate amount of principal coming due and payable on such October 1 Interest Payment Date on the Reserve Account Subordinate Bonds and (ii) the aggregate principal amount of the Reserve Account Term Subordinate Bonds required to be redeemed on such October 1 Interest Payment Date, then the Trustee shall withdraw the amount of such insufficiency from the Subordinate Bonds Reserve Account and deposit such amount in the Subordinate Bonds Principal Account.

(iii) If, on any Second Debt Service Transfer Date or on the date of any retirement of Reserve Account Subordinate Bonds or defeasance of Reserve Account Subordinate Bonds pursuant to Article IX hereof, the amount in the Subordinate Bonds Reserve Account and any subaccount thereof is in excess of the Subordinate Bonds Reserve Requirement, the Trustee shall withdraw such surplus and deposit such amount in the Subordinate Bonds Interest Account for the payment of debt service solely on the Reserve Account Subordinate Bonds before giving effect to any transfer required pursuant to Section 4.04(d) below . For purposes of calculating the Subordinate Bonds Reserve Requirement on any Second Debt Service Transfer Date, the Trustee shall calculate the Subordinate Bonds Reserve Requirement as of the immediately succeeding October 1 after giving effect to any scheduled payments of principal of Reserve Account

Subordinate Bonds, any scheduled redemption of Reserve Account Term Subordinate Bonds that will be paid from amounts on deposit in the Subordinate Bonds Principal Account after giving effect to the deposit into the Subordinate Bonds Principal Account in Section 4.04(e) below and the redemption of the principal amount of Subordinate Turbo Bonds pursuant to Section 2.03(b) that the Trustee calculates will occur after giving effect to the required deposits set forth in Section 4.04. All amounts in the Subordinate Bonds Reserve Account and any subaccount thereof on the Business Day preceding the final Interest Payment Date with respect to the Reserve Account Subordinate Bonds shall be withdrawn from the Subordinate Bonds Reserve Account and any subaccount thereof and shall be transferred to the Subordinate Bonds Interest Account and the Subordinate Bonds Principal Account, in such order, to the extent required to make the deposits then required to be made pursuant to Section 4.03 and Section 4.04 for the payment of debt service solely on the Reserve Account Subordinate Bonds. Additionally, amounts on deposit in the Subordinate Bonds Reserve Account and any subaccount thereof may be released in connection with the issuance of bonds or other obligations issued to refund Reserve Account Subordinate Bonds, provided that amounts remaining on deposit therein after such release shall be equal to the Subordinate Bonds Reserve Requirement.

(iv) The Authority shall have the right at any time to direct the Trustee to release funds from the Subordinate Bonds Reserve Account or any subaccount thereof, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Account Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause the exclusion of interest on the Subordinate Bonds that are Tax Exempt Bonds from gross income for federal income tax purposes to be adversely affected. Upon tender of such items to the Trustee, and upon delivery by the Authority to the Trustee of written calculation of the amount permitted to be released from the Subordinate Bonds Reserve Account or any subaccount thereof (upon which calculation the Trustee may conclusively rely), the Trustee shall transfer such funds from the Subordinate Bonds Reserve Account or any subaccount thereof to the Authority and applied as provided in the opinion of Bond Counsel noted above.

(v) The Trustee shall comply with all documentation relating to a Qualified Reserve Account Credit Instrument as shall be required to maintain such Qualified Reserve Account Credit Instrument in full force and effect and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this paragraph (c).

(vi) If the Subordinate Bonds Reserve Requirement is being maintained partially in cash and Permitted Investments and partially with a Qualified Reserve Account Credit Instrument, to the extent that the Trustee makes any withdrawals from the Subordinate Bonds Reserve Account under Section 4.02(e)(ii) above, the Trustee shall withdraw all the cash and Permitted Investments first before making any draw under any such Qualified Reserve Account Credit Instrument. If the Subordinate Bonds Reserve Requirement is being maintained with two or more Qualified Reserve Account Credit

Instruments, any draw pursuant to Section 4.02(e)(ii) above shall be *pro rata* with respect to each such instrument.

(vii) In the event that a Qualified Reserve Account Credit Instrument delivered with respect to a Series of Reserve Account Subordinate Bonds is available to be drawn upon for only one Series of Reserve Account Subordinate Bonds, a separate subaccount in the Subordinate Bonds Reserve Account may be established for such Series, and the calculation of the Subordinate Bonds Reserve Requirement with respect to all other Reserve Account Subordinate Bonds shall exclude the debt service on such Series of Reserve Account Subordinate Bonds, and the Reserve Account Subordinate Bonds secured by such Qualified Reserve Account Credit Instrument shall not have access to any other amounts on deposit in the Subordinate Bonds Reserve Account or subaccount thereof. Additionally, the Subordinate Bonds Reserve Account may be maintained in the form of one or more separate sub-accounts which are established for the purpose of holding the proceeds of separate Series of the Reserve Account Subordinate Bonds in conformity with applicable provisions of the Code to the extent directed in a Written Instruction of the Authority. Additionally, the Authority may, in its discretion, combine amounts on deposit in the Subordinate Bonds Reserve Account and on deposit in any reserve account relating to any (but not necessarily all) Subordinate Bonds in order to maintain a combined reserve account for the Reserve Account Subordinate Bonds and subject to the definition of Subordinate Bonds Reserve Requirement.

(f) Administrative Expense Fund.

(i) There is hereby established an Administrative Expense Fund, which the Trustee shall hold in trust hereunder. Except as provided in (iii) below, the Trustee shall hold the moneys in the Administrative Expense Fund and shall disburse such moneys therefrom to pay Administrative Expenses. All moneys on deposit in the Administrative Expense Fund shall be used and withdrawn by the Trustee for the sole purpose of paying Administrative Expenses.

(ii) The Trustee shall disburse amounts from the Administrative Expense Fund from time to time upon receipt of a Written Request of the Authority (on which the Trustee may conclusively rely, without investigation) which states with respect to each disbursement to be made: (i) the requisition number, (ii) the amount to be disbursed, and (iii) that all disbursed amounts constitute Administrative Expenses and have not been the basis of any previous disbursement.

(iii) Upon a Written Request of the Authority, the Trustee shall withdraw amounts from the Administrative Expense Fund and deposit such amounts in any accounts or funds in the Debt Service Fund as the Authority shall specify.

(g) Excess Pledged Revenues Fund. There is hereby established an Excess Pledged Revenues Fund, which the Trustee shall hold in trust hereunder. Except for the immediately succeeding sentence, all moneys on deposit in the Excess Pledged Revenues Fund shall be used and withdrawn by the Trustee for the sole purpose of paying the redemption price

of the Subordinate Turbo Bonds under Section 2.03(b) of this Indenture. On October 2 of each year, after giving effect to the redemption of the Subordinate Turbo Bonds under Section 2.03(b) of the Indenture, the Trustee shall transfer any remaining amounts in the Excess Pledged Revenues Fund to the Authority to be used for any lawful purpose and such amounts shall not longer constitute “Pledged Revenues” under this Indenture and shall not longer be subject to any liens or charges established by this Indenture.

Section 4.03 Deposit of Amounts by Trustee in Debt Service Fund on First Debt Service Transfer Date. So long as any Bonds remain Outstanding, on the First Debt Service Transfer Date, the Trustee shall withdraw from the Debt Service Fund and deposit the following amounts in the following funds and accounts in the following order of priority:

(a) Senior Bonds Interest Account. First, the Trustee shall withdraw from the Debt Service Fund and deposit into the Senior Bonds Interest Account an amount which, when added to the amount on deposit in the Senior Bonds Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Senior Bonds on the next succeeding Interest Payment Date. No such deposit need be made to the Senior Bonds Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Senior Bonds.

(b) Senior Bonds Reserve Account. Second, if the amount on deposit in the Senior Bonds Reserve Account is less than the Senior Bonds Reserve Requirement as of the First Debt Service Transfer Date, then the Trustee shall withdraw from the Debt Service Fund the amount of any such deficiency and deposit such amount in the Senior Bonds Reserve Account.

(c) Subordinate Bonds Interest Account. Third, the Trustee shall withdraw from the Debt Service Fund and deposit into the Subordinate Bonds Interest Account an amount which, when added to the amount on deposit in the Subordinate Bonds Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Subordinate Bonds on the next succeeding Interest Payment Date. No such deposit need be made to the Subordinate Bonds Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Subordinate Bonds.

Section 4.04 Deposit of Amounts by Trustee in Debt Service Fund on Second Debt Service Transfer Date. So long as any Bonds remain Outstanding, on the Second Debt Service Transfer Date, the Trustee shall withdraw from the Debt Service Fund and deposit the following amounts in the following funds and accounts in the following order of priority:

(a) Senior Bonds Interest Account. First, the Trustee shall withdraw from the Debt Service Fund and deposit into the Senior Bonds Interest Account an amount which, when added to the amount on deposit in the Senior Bonds Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Senior Bonds on the next succeeding Interest Payment Date. No such deposit need be made to the Senior Bonds Interest Account if the amount contained therein is at least equal to the interest to

become due on the next succeeding Interest Payment Date upon all of the Outstanding Senior Bonds.

(b) Senior Bonds Principal Account. Second, the Trustee shall withdraw from the Debt Service Fund and deposit in the Senior Bonds Principal Account an amount which, when added to the amount on deposit in the Senior Bonds Principal Account on that date, will be equal to the sum of (i) the aggregate amount of principal coming due and payable on the next October 1 on the Senior Bonds and (ii) the aggregate principal amount of the Term Senior Bonds scheduled to be redeemed on the next October 1. No such deposit need be made to the Senior Bonds Principal Account if the amount contained therein is at least equal to the sum of (i) the aggregate amount of principal coming due and payable on the next October 1 on the Senior Bonds and (ii) the aggregate principal amount of the Term Senior Bonds required to be redeemed on the next October 1.

(c) Senior Bonds Reserve Account. Third, if the amount on deposit in the Senior Bonds Reserve Account as of the Second Debt Service Transfer Date is less than the Senior Bonds Reserve Requirement, then the Trustee shall withdraw from the Debt Service Fund the amount of any such deficiency and deposit such amount in the Senior Bonds Reserve Account. For purposes of this Section 4.04(c), the Trustee shall calculate the Senior Bonds Reserve Requirement as of the next October 1 after giving effect to any scheduled payments of principal of Senior Bonds and any scheduled redemption of Term Senior Bonds that will be paid from amounts on deposit in the Senior Bonds Principal Account after giving effect to the deposit on the Second Debt Service Transfer Date into the Senior Bonds Principal Account required in Section 4.04(b) above.

(d) Subordinate Bonds Interest Account. Fourth, the Trustee shall withdraw from the Debt Service Fund and deposit into the Subordinate Bonds Interest Account an amount which, when added to the amount on deposit in the Subordinate Bonds Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Subordinate Bonds on the next succeeding Interest Payment Date. No such deposit need be made to the Subordinate Bonds Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Subordinate Bonds.

(e) Subordinate Bonds Principal Account. Fifth, the Trustee shall withdraw from the Debt Service Fund and deposit in the Subordinate Bonds Principal Account an amount which, when added to the amount on deposit in the Subordinate Bonds Principal Account on that date, will be equal to the sum of (i) the aggregate amount of principal coming due and payable on the next October 1 on the Subordinate Bonds and (ii) the aggregate principal amount of the Term Subordinate Bonds required to be redeemed on the next October 1. No such deposit need be made to the Subordinate Bonds Principal Account if the amount contained therein is at least equal to the sum of (i) the aggregate amount of principal coming due and payable on the next October 1 on the Subordinate Bonds and (ii) the aggregate principal amount of the Term Subordinate Bonds required to be redeemed on the next October 1.

(f) Subordinate Bonds Reserve Account. Sixth, if the amount on deposit in the Subordinate Bonds Reserve Account as of the Second Debt Service Transfer Date is less than

the Subordinate Bonds Reserve Requirement, then the Trustee shall withdraw from the Debt Service Fund the amount of any such deficiency and deposit such amount in the Subordinate Bonds Reserve Account. For purposes of this Section 4.04(f), the Trustee shall calculate the Subordinate Bonds Reserve Requirement as of the immediately succeeding October 1 after giving effect to any scheduled payments of principal of Subordinate Bonds, any scheduled redemption of Term Subordinate Bonds that will be paid from amounts on deposit in the Subordinate Bonds Principal Account after giving effect to the deposit on the Second Debt Service Transfer Date into the Subordinate Bonds Principal Account required in Section 4.04(e) above and the redemption of the principal of Subordinate Turbo Bonds pursuant to Section 2.03(b) that the Trustee calculates will occur after giving effect to the required deposits on the Second Debt Service Transfer Date set forth in this Section 4.04.

(g) Administrative Expense Fund. Seventh, if the amount on deposit in the Administrative Expense Fund is less than the Administrative Expense Cap, then the Trustee shall withdraw from the Debt Service Fund the amount of any such deficiency and deposit such amount in the Administrative Expense Fund.

(h) Rebate Fund. Eighth, the Trustee shall withdraw from the Debt Service Fund any amounts required pursuant to Section 4.05 or the Tax Certificate and deposit such amount in the Rebate Fund.

(i) Excess Pledged Revenues Fund. Ninth, for so long as any Subordinate Turbo Bonds remain Outstanding, the Trustee shall withdraw from the Debt Service Fund all remaining funds after giving effect to the deposits required by paragraphs (a) through (h) of this Section 4.04 and deposit such amount in the Excess Pledged Revenues Fund.

(j) Surplus to the Authority. Tenth, on any Second Debt Service Transfer Date on which no Subordinate Turbo Bonds remain Outstanding, except as provided by any Supplemental Indenture, on October 2 of each year, so long as all deposits required by paragraphs (a) through (i) of this Section 4.04 have been satisfied, the Trustee shall transfer any remaining amounts in the Debt Service Fund to the Authority to be used for any lawful purpose and such amounts shall not longer constitute “Pledged Revenues” under this Indenture and shall not longer be subject to any liens or charges established by this Indenture.

Section 4.05 Rebate Fund. The Trustee shall establish, when required, a separate fund for the 2020 Bonds designated the “Rebate Fund.” Absent an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the Tax Exempt 2020 Bonds will not be adversely affected, the Authority shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to this Section and the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. All amounts on deposit in the Rebate Fund for the Tax-Exempt 2020 Bonds shall be governed by this Section and the Tax Certificate, unless the Authority obtains and delivers to the Trustee an opinion of Bond Counsel that the exclusion from gross income of interest on the Tax-Exempt 2020 Bonds will not be adversely affected for federal income tax purposes if such requirements are not satisfied. Notwithstanding anything to the contrary contained herein or in the Tax Certificate, the Trustee shall be deemed conclusively to have complied with the provisions of this Section and the Tax Certificate if the Trustee

follows the directions of the Authority, and the Trustee shall have no independent responsibility to or liability resulting from failure of the Trustee to enforce compliance by the Authority with the Tax Certificate or the provisions of this Section.

ARTICLE V

OTHER COVENANTS OF THE AUTHORITY

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

Section 5.02 Limitation on Additional Indebtedness; Against Encumbrances. The Authority hereby covenants that, so long as the Bonds are Outstanding, the Authority shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Pledged Revenues (i) on a basis senior to the Senior Bonds or on a basis senior to the Subordinate Bonds and subordinate to the Senior Bonds, or (ii) on a parity with the Senior Bonds or on parity with the Subordinate Bonds unless the requirements of Section 3.06 are met. The Authority will not otherwise encumber, pledge or place any charge or lien upon any of the Pledged Revenues or other amounts pledged to the Bonds superior or equal to the pledge and lien herein created for the benefit of the Bonds.

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

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

Section 5.05 Books and Accounts; Financial Statements. The Authority shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and

accounts of the Authority, in which complete and correct entries shall be made of all transactions relating to this Indenture and the Pledged Revenues. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Owners of not less than 10% in aggregate principal amount of the Senior Bonds then Outstanding, or their representatives authorized in writing.

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

Section 5.07 Payments of Taxes and Other Charges. Except as otherwise provided herein, the Authority will pay and discharge, or cause to be paid and discharged, all taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Authority or the properties then owned by the Authority, or upon the revenues therefrom when the same shall become due. Nothing herein contained shall require the Authority to make any such payment so long as the Authority in good faith shall contest the validity of said taxes, assessments or charges.

Section 5.08 Dissolution Act Invalid; Maintenance of Pledged Revenues. The Authority shall comply with all requirements of applicable law, including without limitation the Law, and the Pledge Agreement. In the event that the applicable property tax revenues provisions of the Dissolution Act are determined by a court in a final judicial decision to be invalid and, in place of the invalid provisions, provisions of the Law or the equivalent become applicable to the Bonds, the Authority will use its best efforts to ensure that the Successor Agency complies with all requirements of the Law or the equivalent to ensure the allocation and payment to it of the Pledged Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the City and, in the case of amounts payable by the State, appropriate officials of the State.

Section 5.09 Tax Covenants. The Authority covenants that it shall not take any action, or fail to take any action, if such action or failure to take such action would result in the interest on the Tax-Exempt Bonds to fail to be excluded from gross income for federal income tax purposes under Section 103 of the Code. Without limiting the generality of the foregoing, the Authority covenants that it will comply with the requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive the payment in full or the defeasance of the Bonds. Notwithstanding any provisions of this Section, if the Authority shall provide to the Trustee an Opinion of Bond Counsel to the effect that any specified action required under this Section or the Tax Certificate is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Tax-Exempt Bonds, the Authority and the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

Section 5.10 Continuing Disclosure. The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Authority to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the

holders of at least 25% aggregate principal amount of Outstanding Bonds, may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 5.11 Pledge Agreement. The Authority hereby covenants and agrees that it will not amend the Pledge Agreement in any way that materially adversely affects the interest of the Owners.

Section 5.12 Further Assurances.

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

(b) The Authority shall use its best efforts to instruct the Successor Agency to deliver any Pledged Revenues by January 15 and July 15 with respect to the January 2 and June 1 Redevelopment Property Tax Trust Fund distribution dates currently referenced in the Dissolution Act, respectively, directly to the Trustee to be deposited in the Debt Service Fund. If the Authority receives any Pledged Revenues, the Authority shall promptly, and in any event no later than two Business Days after receipt, transfer all Pledged Revenues it receives under the Pledge Agreement to the Trustee to be deposited in the Debt Service Fund. The Authority hereby agrees that it will not commingle any Pledged Revenues with any other assets or monies of the Authority.

(c) The Authority hereby covenants and agrees that it will exercise all rights and remedies and take all action required under the Pledge Agreement in order to protect the pledge and lien on the Pledged Revenues. The Authority will use its best efforts to take all actions necessary to enforce its rights under the Pledge Agreement to receive the Net Tax Increment. The Authority will use its best efforts to ensure that the City and the Successor Agency take all actions required under the Dissolution Act to include the amount of the Net Tax Increment under the Pledge Agreement in the ROPS that the Authority would have been entitled to under the Pledge Agreement if the Former Agency were not dissolved under the Dissolution Act, and the Authority will use its best efforts to ensure that the Successor Agency timely files its ROPS with DOF.

(d) The Authority hereby covenants that:

(i) It shall only use Capital Replacement Reserves to pay costs permitted under the Pledge Agreement to use Net Tax Increment;

(ii) It will keep Capital Replacement Reserves segregated from other accounts and funds of the Authority; and

(iii) It will maintain policies and procedures to ensure that Capital Replacement Reserves pay only those costs that the Authority is permitted to use Net Tax Increment under the Pledge Agreement.

ARTICLE VI

THE TRUSTEE

Section 6.01 Duties, Immunities and Liabilities of Trustee.

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

(b) The Authority may remove the Trustee at any time, upon thirty days' prior written notice, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time the Authority has knowledge that the Trustee has ceased to be eligible in accordance with subsection (f) of this Section, or has become incapable of acting, or has been adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property has been appointed, or any public officer has taken control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal shall be accomplished by the giving of written notice of such removal by the Authority to the Trustee, whereupon the Authority shall appoint a successor Trustee by an instrument in writing.

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

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the retiring Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction at the expense of the Authority for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing, acknowledging and delivering to the Authority and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Authority or the

request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall cause either the predecessor Trustee or the successor Trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then has a current rating on the Bonds and to the Owners at their respective addresses shown on the Registration Books.

(e) If an Event of Default hereunder occurs with respect to any Bonds of which the Trustee has been given or is deemed to have notice, as provided in Section 6.03(d) hereof, then the Trustee shall immediately give written notice thereof, by first-class mail to the Owner of each such Bond, unless such Event of Default shall have been cured before the giving of such notice; provided, however, that unless such Event of Default consists of the failure by the Authority to make any payment when due, the Trustee may elect not to give such notice if and so long as the Trustee in good faith determines that it is in the best interests of the Owner not to give such notice.

(f) The Authority agrees that, so long as any Bonds are Outstanding, the Trustee shall be: (i) a financial institution having a trust office in the State, having (or in the case of a corporation, national banking association or trust company included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least \$75,000,000, and subject to supervision or examination by federal or state authority; or (ii) a state-chartered commercial bank that is a member of the Federal Reserve System having at least \$1,000,000,000 of assets. If such financial institution publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such financial institution shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (f), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

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

Section 6.03 Liability of Trustee.

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

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

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

(d) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a responsible officer shall have actual knowledge thereof, or shall have received written notice thereof from the Authority at its Principal Corporate Trust Office. In the absence of such actual knowledge or notice, the Trustee may conclusively assume that no Event of Default has occurred and is continuing under this Indenture. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by any other party of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

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

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

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

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

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

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

associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

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

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

Section 6.04 Right to Rely on Documents and Opinions. The Trustee shall have no liability in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, facsimile transmission, electronic mail, or other paper or document reasonably believed by it to be genuine and to have been signed or prescribed by the proper party or parties, and shall not be required to make any investigation into the facts or matters contained thereon. The Trustee may consult with counsel, including, without limitation, counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

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

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

Section 6.05 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession subject to its record retention policies and shall be subject at all reasonable times upon reasonable notice to the

inspection of and copying by the Authority and any Owner, and their agents and representatives duly authorized in writing, during regular business hours and under reasonable conditions.

Section 6.06 Compensation and Indemnification. The Authority shall pay to the Trustee from time to time reasonable compensation for all services rendered under this Indenture in accordance with the letter proposal from the Trustee approved by the Authority and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel), agents and employees, incurred in and about the performance of its powers and duties under this Indenture. The Trustee shall have a lien on the Pledged Revenues to secure the payment to the Trustee of all fees, costs and expenses, including reasonable compensation to its experts, attorneys and counsel (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel).

The Authority further covenants and agrees to indemnify, defend and save the Trustee and its officers, directors, agents and employees, harmless against any loss, expense, including legal fees and expenses, and liabilities which it may incur to the extent arising out of or in connection with the exercise and performance of its powers and duties hereunder and any other documents executed in connection herewith, including the costs and expenses of defending against any claim of liability, but excluding any and all losses, expenses and liabilities which are due to the negligence or misconduct of the Trustee, its officers, directors, agents or employees as finally determined by a court of competent jurisdiction. The obligations of the Authority and the rights of the Trustee under this Section 6.06 shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 6.07 Deposit and Investment of Moneys in Funds. Moneys in any funds and accounts held by the Trustee hereunder shall be invested by the Trustee in Permitted Investments as directed by the Authority in the Written Request of the Authority filed with the Trustee, except that moneys in the Senior Bonds Reserve Account and the Subordinate Reserve Account shall not be invested in Permitted Investments having a maturity of more than five (5) years, unless for any Permitted Investment described in clause (g) of the definition thereof. In the absence of any such Written Request of the Authority, the Trustee shall hold the funds hereunder uninvested. The Trustee shall be entitled to rely conclusively upon the written instructions of the Authority directing investments in Permitted Investments as to the fact that each such investment is permitted by the laws of the State, and shall not be required to make further investigation with respect thereto. With respect to any restrictions set forth in the above list which embody legal conclusions (e.g., the existence, validity and perfection of security interests in collateral), the Trustee shall be entitled to rely conclusively on an opinion of counsel or upon a representation of the provider of such Permitted Investment obtained at the Authority's expense. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or

accounts held by the Trustee hereunder shall be deposited in the Senior Bonds Interest Account (pro-rata among sub-accounts); provided, however, that all interest or gain from the investment of amounts in the Senior Bonds Reserve Account and the Subordinate Bonds Reserve Account shall be deposited by the Trustee in the Senior Bonds Interest Account or the Subordinate Bonds Interest Account only to the extent not required to cause the balance in the Senior Bonds Reserve Account or the Subordinate Bonds to equal the Senior Bonds Reserve Requirement or the Subordinate Bonds Reserve Requirement, respectively. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories. The Trustee shall incur no liability for losses arising from any investments made at the direction of the Authority or otherwise made in accordance with this Section. For investment purposes only, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, at no additional cost, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Authority further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker. The Trustee will furnish the Authority monthly cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder. Upon the Authority's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request.

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

The Authority covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of any Tax Exempt Bonds (within the meaning of Section 148 of the Code), shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow its normal practice in determining the value of Permitted Investments, which may include utilizing and relying conclusively and without liability upon any generally recognized pricing information service (including brokers and dealers in securities) available to it.

Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued by the Authority at their present value (within the meaning of Section 148 of the Code). Investments on deposit in the Reserve Account shall be valued semiannually two (2) Business Days preceding each April 1 and October 1 at their Fair Market Value.

Section 6.08 Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which accurate entries shall be made of all transactions relating to the proceeds of the Bonds made by it and all funds and accounts held by the Trustee established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Authority upon reasonable prior notice, at reasonable hours and under reasonable circumstances.

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

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

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

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

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

(c) to provide for the issuance of Senior Bonds or Subordinate Bonds in accordance with Section 3.06; or

(d) to amend any provision hereof to permit the issuance of Senior Parity Debt pursuant to a Senior Parity Debt Instrument in lieu of issuing Senior Bonds or Subordinate Parity Debt pursuant to a Subordinate Parity Debt Instrument in lieu of issuing Subordinate Bonds, including (without limitation) amendments to Section 3.06, Article IV and this Article VII (and any related definitions) to permit the equal and ratable payment of any such Senior Parity Debt with Senior Bonds or any such Subordinate Parity Debt with Subordinate Bonds, provided that the issuance of any such Senior Parity Debt or Subordinate Parity Debt satisfies the requirements of Section 3.06 of this Indenture assuming for such purposes that references to Senior Bonds and Subordinate Bonds in Section 3.06 refer to Senior Parity Debt or Subordinate Parity Debt, respectively; or

(e) to amend any provision hereof relating to the requirements of or compliance with the Code, to any extent whatsoever but only if and to the extent such

amendment will not adversely affect the exemption from federal income taxation of interest on any of the Bonds, in the opinion of Bond Counsel; or

(f) to comply with, or permit the Successor Agency or the City to comply with, amendments or supplements to the Dissolution Act or take any other action under any such amendments or supplements to ensure the continuing enforceability of the Pledge Agreement; or

(g) to permit the Authority to enforce its rights and interest under the Pledge Agreement; or

(h) to comply with the requirements of a provider of a Qualified Reserve Account Credit Instrument; or

(i) in any other respect whatsoever as the Authority may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not, in the reasonable determination of the Authority, materially adversely affect the interests of the Owners;

provided, however, that any amendment, supplements or modifications of the Indenture pursuant to any Supplemental Indenture which permits the Owners of the Subordinate Bonds to declare all principal on the Subordinate Bonds to be immediately due and payable upon an Event of Default or comparable event shall not require the consent of the Owners of the Senior Bonds, provided that no such amendment, supplement or modification shall permit the payment of any such principal on any date other than October 1 or made provision outside of the deposits set forth in Section 4.04 hereof.

Except as set forth in the preceding paragraph, this Indenture and the rights and obligations of the Authority and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding when the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee; provided, however, to the extent the modification or amendment relates solely to rights or obligations of the Owners of the Senior Bonds, upon the filing of the consent of the Owners of majority in aggregate principal amount of the Senior Bonds then Outstanding are filed with the Trustee or to the extent the modification or amendment relates solely to rights or obligations of the Owners of the Subordinate Bonds, upon the filing of the consent of the Owners of majority in aggregate principal amount of the Subordinate Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (A) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal, interest, or redemption premiums (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, or (B) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall any Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In no event shall any Supplemental Indenture adversely affect the security for the Bonds.

Section 7.02 Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be

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

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

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

Section 7.05 Opinion of Counsel. The Trustee may rely on an opinion of counsel, and conclusively rely on an opinion of counsel, to the effect that all conditions precedent to the execution of such Supplemental Indenture under this Indenture have been satisfied and such Supplemental Indenture is authorized and permitted under this Indenture and does not adversely affect the exclusion of interest on any Tax Exempt Bonds from gross income for federal income tax purposes or adversely affect the exemption of interest on the Bonds from personal income taxation by the State.

Section 7.06 Copy of Supplemental Indenture to Rating Agencies. The Authority shall provide to any rating agency rating the Bonds (without regard to any municipal bond or financial guaranty insurance), a copy of any Supplemental Indenture at least fifteen (15) days prior to its proposed effective date.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 8.01 Events of Default. The following events shall constitute Events of Default hereunder:

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

interest on the Subordinate Bonds, such Event of Default shall relate only to the Subordinate Bonds;

(b) if default shall be made by the Authority in the observance of any of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, other than a default described in the preceding clause (a), and such default shall have continued for a period of thirty (30) days following receipt by the Authority of written notice from the Trustee or any Owner of the occurrence of such default, provided that if in the reasonable opinion of the Authority the failure stated in the notice can be corrected, but not within such 30 day period, such failure will not constitute an event of default if corrective action is instituted by the Authority within such 30 day period and the Authority thereafter diligently and in good faith cures such failure in a reasonable period of time, such period of time not to be longer than 180 days after the date of delivery of such default notice; or

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

Immediately upon receiving notice or actual knowledge of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the Authority by telephone promptly confirmed in writing.

In determining whether an Event of Default has occurred under (a) above, no effect shall be given to payments made under any municipal bond insurance policy, financial guaranty insurance policy or Qualified Reserve Account Credit Instrument.

If an Event of Default with respect to the Senior Bonds has occurred and is continuing, the Trustee may, or, if requested in writing by the Owners of a majority in aggregate principal amount of the Senior Bonds then Outstanding and indemnified to its satisfaction, the Trustee shall: (i) subject to the provisions of Section 8.03, exercise any remedies available to the Trustee and the Senior Bond Owners in law or at equity; and (ii) not take any action that could materially adversely affect the interests of the Owners of the Subordinate Bonds and such Owners of Senior Bonds shall have the right to control all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture as set forth in Section 8.05 of this Indenture.

If an Event of Default relating solely to the Subordinate Bonds has occurred and is continuing, the Trustee may, or, if requested in writing by the Owners of a majority in aggregate principal amount of the Subordinate Bonds then Outstanding and indemnified to its satisfaction, the Trustee shall (i) subject to the provisions of Section 8.03, exercise any remedies available to

the Trustee and the Subordinate Bond Owners in law or at equity; and (ii) not take any action that could materially adversely affect the interests of the Owners of the Senior Bonds and such Owners of Subordinate Bonds shall have the right to control all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture as set forth in Section 8.05 of this Indenture.

The Trustee shall in no event be liable hereunder for any actions that it takes at the direction of the Owners of a majority in aggregate principal amount of either the Senior Bonds or the Subordinate Bonds.

The Trustee shall be entitled to conclusively rely, and be fully protected in acting or omitting to act, upon such certificates, directions and opinions of counsel as it shall deem appropriate to determine whether any action subject to the direction of the Owners of the Senior Bonds materially adversely affects the interests of the Owners of the Subordinate Bonds, or any action subject to the direction of the Owners of the Subordinate Bonds materially adversely affects the interests of the Senior Bonds.

Section 8.02 Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation. Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

Section 8.03 Limitation on Owner's Right to Sue. No Owner of any Bonds issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Authority and the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

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

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

Section 8.04 Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay from the Pledged Revenues and other amounts pledged hereunder, the principal of and interest and redemption premium (if any) on the Bonds to the respective Owners on the respective Interest Payment Dates, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owners or the Trustee to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

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

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

Section 8.05 Actions by Trustee as Attorney-in-Fact. Any suit, action or proceeding which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, provided, however, the Trustee shall have no duty or obligation to exercise any such right or remedy unless it has been indemnified to its satisfaction from any loss, liability or expense (including fees and expenses of its outside counsel and the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel).

Section 8.06 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

Section 8.07 Determination of Percentage of Bondowners. Whenever in this Indenture the consent, direction or other action is required or permitted to be given or taken by a percentage of the Owners of an aggregate principal amount of Outstanding Bonds (including by the Owners of a majority in aggregate principal amount of the Outstanding Bonds), such percentage shall be calculated on the basis of the principal amount of the Outstanding Bonds determined as of the next succeeding Interest Payment Date.

ARTICLE IX

DEFEASANCE

Section 9.01 Discharge of Bonds and Indenture. (a) If the Trustee shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the interest and principal represented thereby at the times and in the manner stipulated herein and therein, then such Owners shall cease to be entitled to the pledge of and lien on the Pledged Revenues as provided herein, and all agreements and covenants of the Authority and the Trustee to such Owners hereunder shall thereupon cease, terminate and become void and shall be discharged and satisfied, except for the Authority's obligations under Section 6.06 hereof, which shall survive.

(b) Any Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in this Section 9.01 if (i) in case said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee in form satisfactory to the Trustee irrevocable instructions to mail, in accordance with the provisions of Article II, notice of redemption of such Bonds on said redemption date or such notice has actually been given, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Obligations which are not callable or subject to redemption prior to their respective maturity dates, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Trustee at the same time, shall be sufficient (as verified by a report of an independent certified public accountant or other independent financial consultant), to pay when due the principal or redemption price (if applicable) of, and interest due and to become due on, said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event any of said Bonds are not to be redeemed within the next succeeding 60 days, the Authority shall have given the Trustee in form satisfactory to the Trustee irrevocable instructions to mail, as soon as practicable in the same manner as a notice of redemption is mailed pursuant to Article II, a notice to the Owners of such Bonds and to the securities depositories and information services specified in Section 2.03 hereof that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 9.01(b) and stating such maturity or redemption dates upon which moneys are to be available for the payment of the principal or redemption price (if applicable) of said Bonds.

Neither the securities nor moneys deposited with the Trustee pursuant to this Section 9.01(b) nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or redemption price (if applicable) of, and interest on said Bonds; *provided* that Defeasance Obligations deposited with the Trustee pursuant to this Section 9.01(b) may be sold upon the written request of the Authority and the proceeds concurrently reinvested in other Defeasance Obligations which satisfy the conditions of (ii) above provided that the Trustee receives an Opinion of Counsel to the effect that such sale and reinvestment does not adversely affect the exclusion of interest on the Tax Exempt Bonds from federal income taxes, and *provided further* that any cash received from such principal or interest payments on such obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, and at the direction of the Authority, be reinvested in Defeasance Obligations maturing at times and in amounts, together with the other moneys and payments with respect to securities then held by the Trustee pursuant to this Section, sufficient to pay when due the principal or redemption price (if applicable) of, and interest to become due with respect to said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall, upon receipt by the Trustee of a Written Request of the Authority, be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien or pledge. Nothing in this Section 9.01(b) shall preclude redemptions pursuant to Section 2.03 hereof.

Any release under this Section 9.01(b) shall be without prejudice to the right of the Trustee to be paid reasonable compensation for all services rendered by it under this Indenture and all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees, incurred on and about the administration of trusts by this Indenture created and the performance of its powers and duties under this Indenture; *provided however*, that the Trustee shall have no right, title or interest in, or lien on, any moneys or securities deposited pursuant to this Article IX.

(c) After the payment or deemed payment of all the interest and principal of all Outstanding Bonds as provided in this Section, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable and prepared by or on behalf of the Authority to evidence the discharge and satisfaction of the Indenture, and the Trustee shall pay over or deliver to the Authority all moneys or securities held by it pursuant hereto which are not required for the payment of the principal of, premium, if any, and interest on, such Bonds. Notwithstanding the discharge and satisfaction of this Indenture, Owners of Bonds shall thereafter be entitled to payments due under the Bonds, but only from amounts deposited pursuant to Section 9.01(a) hereof and from no other source.

ARTICLE X

MISCELLANEOUS

Section 10.01 Special Obligations. The Bonds are special obligations of the Authority secured by a pledge and lien as described in Section 4.01 hereof and shall be payable solely from Pledged Revenues. The Bonds are not debts, liabilities or obligations of the City, any member of the Authority, the Successor Agency, the State, or any of its political subdivisions, and neither said City, said members. said State, nor any of its political subdivisions is liable thereon, nor in

any event shall the Bonds be payable out of any funds or properties other than Pledged Revenues. The Bonds do not constitute an indebtedness in contravention of any constitutional or statutory debt limitation or restriction.

Section 10.02 Benefits Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Authority, the Trustee and the Owners, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Trustee and the Owners.

Section 10.03 Successor is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture either the Authority or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 10.04 Execution of Documents and Proof of Ownership by Owners. Any request, consent, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by such Owner's attorneys appointed in writing.

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

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

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

Section 10.05 Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Authority (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination; except that in determining whether the Trustee shall be protected in relying upon any such demand, request, direction, consent or waiver of an Owner, only Bonds which the Trustee actually knows to be so

owned or held shall be disregarded unless all Bonds are so owned or held, in which case such Bonds shall be considered Outstanding for the purpose of such determination. Upon request of the Trustee, the Authority shall specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 10.06 Waiver of Personal Liability. No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal or interest or any premium on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 10.07 Destruction of Cancelled Bonds. Whenever in this Indenture provision is made for the surrender to the Trustee of any Bonds which have been paid or cancelled pursuant to the provisions of this Indenture, the Trustee shall destroy such bonds and provide the Authority a certificate of destruction. The Authority shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to.

Section 10.08 Notices. Any notice, request, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or upon receipt when mailed by first class, or registered or certified mail, postage prepaid, addressed as follows:

If to the Authority:	Transbay Joint Powers Authority 425 Mission Street, Suite 250 San Francisco, California 94105 Attention: Chief Financial Officer
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If to the Trustee:	The Bank of New York Mellon Trust Company, N.A. 100 Pine Street, Suite 3200 San Francisco, California 94111 Attention: Corporate Trust
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Section 10.09 Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Indenture shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The Authority hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the Series of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the Trustee is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Trustee hereunder shall, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof, be assumed by and vest in the Chief Financial Officer of the Authority in trust for the benefit of the Owners. The Authority covenants for the direct benefit of the Owners that the Chief Financial Officer in such case shall be vested with all of the rights and powers of the Trustee hereunder, and shall assume all of the responsibilities and perform all of the duties of the Trustee hereunder, in trust for the benefit of the Bonds, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof.

Section 10.10 Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee (without liability for interest) to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondowners shall look only to the Authority for the payment of the principal of and interest and redemption premium (if any) on of such Bonds.

Section 10.11 Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.12 Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State.

IN WITNESS WHEREOF, the TRANSBAY JOINT POWERS AUTHORITY has caused this Indenture to be signed in its name by its Executive Director, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

TRANSBAY JOINT POWERS AUTHORITY

By: _____

Executive Director

ATTEST:

Secretary

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

By: _____

Authorized Officer

IN WITNESS WHEREOF, the TRANSBAY JOINT POWERS AUTHORITY has caused this Indenture to be signed in its name by its Executive Director, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

TRANSBAY JOINT POWERS AUTHORITY

By: _____
Executive Director

ATTEST:

Secretary

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

By: _____
Authorized Officer

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP:
%	October 1, 20	June 25, 2020	

PRINCIPAL SUM: _____ DOLLARS

4826-5681-6552.21

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

This Bond is one of a duly authorized series of bonds of the Authority designated as ["Transbay Joint Powers Authority [Senior][Subordinate] Pledged Tax Allocation Bonds, Series 2020[A][B][Tax-Exempt][A-T](Federally Taxable) (Green Bonds)" (the "Bonds"), of an aggregate principal amount of \$[_____], all of like tenor and date (except for such variation, if any, as may be required to designate varying Series, numbers, maturities, interest rates, or redemption, if any, and other provisions) and all issued 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 pursuant to an Indenture of Trust, dated as of [June 1, 2020], entered into by and between the Authority and the Trustee (the "Indenture"), providing for the issuance of the Bonds.

The Bonds are being issued in the form of registered Bonds without coupons. Additional Bonds may be issued, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Authority) and all indentures supplemental thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Pledged Revenues (as that term is defined in the Indenture), and the rights thereunder of the Registered Owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Authority thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees. Capitalized terms not otherwise defined herein shall have the meanings given them in the Indenture.

The Bonds are special obligations of the Authority and this Bond and the interest hereon and all other Bonds and the interest thereon (to the extent set forth in the Indenture), are secured by a pledge of, security interest in and lien on the Pledged Revenues, as more fully described in the Indenture.

The Bonds maturing on or before October 1, 2029 will not be subject to optional redemption prior to their maturity. The Bonds maturing on or after October 1, 2030 will be subject to redemption on any date on or after April 1, 2030, as a whole or in part, by such maturities as determined by the Authority, from any available source of funds, at a redemption price equal to the principal amount of Bonds called for redemption, plus accrued interest thereon to the redemption date, without premium.

[The Bonds maturing on October 1, 20__ are subject to mandatory redemption in inverse order of sinking fund payments on October 1 of each year in which any Bonds remain Outstanding, as a whole or in part, from and to the extent of Excess Pledged Revenues as the Authority shall direct the Trustee 30 days in advance of the redemption date, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.]

The Bonds that are Term Bonds (the “Term Bonds”) The [_____] Bonds maturing on October 1, 20__ and October 1, 20__ (the “Term Bonds”) will also be subject to redemption on October 1 in each of the years as set forth in the following tables, from Sinking Account payments made by the Authority, at a redemption price equal to the principal amount of the Term Bonds to be redeemed together with accrued interest thereon to the redemption date, without premium (or in lieu thereof will be purchased as described below, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables); provided, however, that if some but not all of such Term Bond has been optionally redeemed, the total amount of all future Sinking Account payments with respect to such Term Bonds will be reduced by the aggregate principal amount of such Term Bond so optionally redeemed, to be allocated among such Sinking Account payments on a pro rata basis in Authorized Denominations as determined by the Authority; [provided however, that in lieu of redemption thereof such Term Bonds may be purchased by the Authority pursuant to Section 2.03(h).]

Term Bonds maturing October 1, 20[___]

October 1

Principal Amount

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

The Bonds are issuable as fully registered Bonds without coupons in Authorized Denominations. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same series, tenor and maturity.

This Bond is transferable upon the Registration Books, by the person in whose name it was registered, in person or by a duly authorized attorney of such person upon surrender to the Trustee at the Principal Corporate Trust Office for cancellation, but only in the manner and subject to the limitations provided in the Indenture. Upon registration of such transfer a new fully registered Bond or Bonds, of any authorized denomination or denominations, for the same aggregate principal amount and of the same series, tenor and maturity will be issued to the transferee in exchange herefor. The Trustee may refuse to transfer or exchange (a) any Bond during the fifteen (15) days prior to the date established for the selection of Bonds for redemption, if any, or (b) any Bond selected for redemption, if any.

The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

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

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Authority or the Trustee for registration of transfer, exchange, or payment, and any Bond 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.

This Bond is not a debt, liability or obligation of the City of San Francisco, the State of California, or any of its political subdivisions, and neither said City, said State, nor any of its political subdivisions is liable hereon, nor in any event shall this Bond be payable out of any funds or properties other than those pledged by the Authority. The Bonds do not constitute an indebtedness in contravention of any constitutional or statutory debt limitation or restriction.

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

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Transbay Joint Powers Authority has caused this Bond to be executed in its name and on its behalf with the manual signature of its Executive Director and attested by the manual signature of its Secretary, all as of the Dated Date set forth above.

TRANSBAY JOINT POWERS AUTHORITY

By: _____
Executive Director

ATTEST:

Secretary

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

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

Authentication Date: June 25, 2020

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

By: _____
Authorized Signatory

[FORM OF ASSIGNMENT]

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

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

Dated: _____

Signatures Guaranteed:

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

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

EXHIBIT B

FORM OF REQUISITION FROM THE CONSTRUCTION FUND

The Transbay Joint Powers Authority (the "Authority"), a joint powers authority created pursuant to laws of the State of California, hereby states and certifies:

(a) that _____ is the duly appointed, qualified and acting _____ of the Authority, and as such, is authorized and qualified to certify the same;

(b) that, pursuant the Indenture, dated as of June 1, 2020 (the "Indenture"), by and between The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") and the Authority, the Trustee is hereby requested to disburse from the Construction Fund established pursuant to Section 3.05 of the Indenture, to the payees set forth on Exhibit A attached hereto and by this reference incorporated herein, the amount set forth on Exhibit A opposite each such payee, for payment of such costs incurred for the purposes identified on said Exhibit A;

(c) that each obligation has been property incurred and is a proper charge against the Construction Fund and has not been the basis of any previous disbursement;

(d) that a statement or invoice for each amount requested hereunder is attached hereto.

IN WITNESS WHEREOF, the undersigned has executed this requisition as of the date set forth below.

Dated: _____

TRANSBAY JOINT POWERS AUTHORITY

By: _____
Authorized Officer

Tab 6



TRANSBAY JOINT POWERS AUTHORITY

Mark Zabaneh • Executive Director

June 25, 2020

Office of Community Investment and Infrastructure
as successor agency to the San Francisco Redevelopment Agency
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attn: Bree Mawhorter, Deputy Director of Finance and Administration

The Bank of New York Mellon Trust Company, N.A., as Trustee
100 Pine Street, Suite 3200
San Francisco, California 94111
Attention: Corporate Trust

Re: Irrevocable Instruction to Pay Net Tax Increment to Trustee

Dear Ms. Mawhorter and Trustee:

As you are aware, the Transbay Joint Powers Authority (the "Authority") intends to issue the TJPA Bonds pursuant to an Indenture of Trust, dated as of June 1, 2020 (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A. (and any successor thereto, the "Trustee"). All defined terms not otherwise defined herein shall have the meaning ascribed thereto in our letter to you dated June 8, 2020 (the "TJPA Letter"). I have included a copy of the TJPA Letter and Indenture with this letter for your reference and convenience.

In our TJPA Letter, we stated that upon the issuance of the TJPA Bonds, the Authority intends to direct OCII to transfer the Net Tax Increment and the interest thereon, in amounts and to a collateral agent payee consistent with DOF-approved ROPS and with the TJPA Bonds.

Consistent with the TJPA Letter and in accordance with Section 4.02 of the Indenture and Section 5 of the Pledge Agreement, you are hereby directed to transfer the Net Tax Increment and the interest thereon to the Trustee for deposit in the Debt Service Fund established under the Indenture.

I request that you acknowledge this letter as set forth below. Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Erin Roseman", is written over a blue circular stamp.

Erin Roseman
Chief Financial Officer

ACKNOWLEDGED:

DocuSigned by:
Bree Mawhorter
A8F4ECFCB9E44C6

**Bree Mawhorter, Deputy Director of Finance
and Administration
Office of Community Investment and
Infrastructure**

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

[Signature]

Authorized Signatory

cc: Controller, City and County of San Francisco



TRANSBAY JOINT POWERS AUTHORITY

Mark Zabaneh • Executive Director

July 16, 2020

Office of Community Investment and Infrastructure
as successor agency to the San Francisco Redevelopment Agency
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attn: Bree Mawhorter, Deputy Director of Finance and Administration

Re: Irrevocable Instruction to Pay Net Tax Increment to Trustee (dated June 25, 2020)-Wiring Instructions

Dear Ms. Mawhorter:

Consistent with the above-referenced instruction, as well as the TJPA Letter (dated June 8, 2020), Section 4.02 of the Indenture, and Section 5 of the Pledge Agreement, please find the wiring instructions for the payment of Net Tax Increment to The Bank of New York Mellon Trust Company, N.A., as Trustee.

THE BANK OF NEW YORK MELLON
ABA# 021000018
ACCOUNT NUMBER #4780048400
ACCOUNT NAME: TRANSBAY JPA 2020 DEBT SERVICE

Sincerely,

A handwritten signature in blue ink, appearing to read "Erin Roseman", is written over a circular blue ink stamp.

Erin Roseman
Chief Financial Officer

cc: Trustee



July 20, 2020

Office of Community Investment and Infrastructure
As Successor Agency to the San Francisco Redevelopment Agency
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attn: Bree Mawhorter, Deputy Director of Finance and Administration

Re: Transbay Joint Powers Authority Tax Allocation Senior Tax Allocation Bonds,
Series 2020A (Tax-Exempt) Series 2020A-T (Federally Taxable) and Series 2020B
(Tax-Exempt) (Green Bonds)

To Whom It May Concern,

Below are the wiring instructions in connection to the Bonds Issues mentioned above for the semiannual Pledged Revenues due by each January 15th and July 15th :

WIRE INSTRUCTIONS

THE BANK OF NEW YORK MELLON
ABA# 021000018
ACCOUNT NUMBER #4780048400
ACCOUNT NAME: TRANSBAY JPA 2020 DEBT SERVICE FD
ATTN: MILLY CANESSA
PHONE: 415-263-2420

Should you have any questions please feel free to contact me directly.

Sincerely,

Milly Canessa
Vice President/Senior Client Service Manager
415-263-2420

Tab 7

Transbay Joint Powers Authority
Inception to Date Capital Expenditures and Funding Sources (Phases 1 and 2)
As of March 31, 2020
(Unaudited)

CAPITAL EXPENDITURES	INCEPTION TO DATE
<i>Salary and Benefits</i>	30,738,798
<i>Administration</i>	12,701,255
 <i>Professional & Specialized Services</i>	
Transit Center/Bus Ramp Engineering & Design	172,902,662
Temporary Terminal Engineering & Design (complete)	3,263,825
Bus Storage Engineering & Design	6,229,921
Utility Relocation Engineering & Design	5,990,409
Downtown Extension Preliminary Engineering & Design	32,377,504
Program Management/Program Controls	113,957,142
Other Professional Services	80,517,950
Subtotal, Professional & Specialized	415,239,412
 <i>Construction & Construction Management</i>	
Temporary Terminal Construction Management (complete)	1,749,247
Temporary Terminal Construction (complete)	20,729,570
Transit Center CM/GC Pre-Construction Services and Bonds	43,973,394
Former Terminal and Ramps Demolition (complete)	15,748,484
Construction Management and Construction Management Oversight	81,087,383
Utility Relocation Construction	27,764,534
Transit Center Building Construction	1,359,542,808
Transit Center Temporary Closure	6,748,901
Tenant Improvements	21,175,620
Bus Ramp Construction	64,980,798
Bus Storage Construction Management	1,476,448
Bus Storage Construction	24,756,722
Subtotal, Construction & Construction Management	1,669,733,910
 <i>Right of Way</i>	
Property Acquisition (complete for Phase 1)	117,982,980
Professional Services (closing costs, relocation, etc.)	5,067,734
Subtotal, Right of Way	123,050,714
 <i>Other</i>	
Caltrans Attorney Parking (complete)	411,538
Financing Costs (Bridge Loan, TIFIA, City Financing)	20,074,228
Subtotal, Other	20,485,766
TOTAL ACCRUED CAPITAL EXPENDITURES	2,271,949,855
 CAPITAL FUNDING SOURCES	
FTA: Federal Demonstration Section 1601	8,795,355
FTA: Federal High Priority Project 5309	30,336,422
FTA: Federal Projects of National & Regional Significance	24,459,002
FTA: Federal Congestion Management & Air Quality (One Bay Area Grant)	6,000,000
FRA: Federal High Speed Intercity Passenger Rail	400,000,000
FRA: Federal Rail Relocation Grant	2,650,000
FEMA: Federal Homeland Security Transit Security Grant	100,000
AC Transit Capital Contributions	39,301,013
AB 1171 Bridge Tolls	149,804,381
Regional Measure 1 Bridge Tolls	54,399,940
Regional Measure 2 Bridge Tolls	150,000,000
San Francisco (Proposition K) SF Sales Tax	195,783,041
San Mateo Sales Tax	23,359,514
Regional Transportation Improvement Program (RTIP)	10,153,000
Land Sales	512,446,936
Bridge Loan Proceeds	155,479,997
TIFIA Loan Proceeds	167,287,000
City Financing Proceeds	103,000,000
Mello-Roos Community Facilities District (CFD) Reimbursements	212,842,950
Lease, Interest Income & Other Unrestricted Sources	10,464,261
Reimbursements by Others (Private Utilities, Adjacent Property Developers, etc.)	10,532,333
Net Tax Increment	2,832,134
Former SF Redevelopment Agency In-Kind Contribution	798,689
Transit Center District Impact Fees	1,123,886
TOTAL CAPITAL FUNDING SOURCES	2,271,949,855

Notes: Inception to Date capital outlay is based on payments made and reported in the LOGOS Financial System as of March 2020.

Revenues are based on revenue received and recorded in the LOGOS Financial System as of March 31, 2020, as well as receivables related to accrued expenditures.

Report is for capital expenditures and revenues only; does not include operations.

EXHIBIT D**Form of Payment Request – Authorized Payments**PAYMENT REQUEST NO. 1MADE ON BEHALF OF: CP Development Co., LLC (“Developer”)MAJOR PHASE: Candlestick Major Phase 1 SUB-PHASE: ALL

The Developer hereby requests payment in the total amount of **\$51,741,842** for the reimbursement of Authorized Payments (as described in Exhibit B to that Acquisition and Reimbursement Agreement), to be paid solely from following Funding Sources:

Funding Sources from which Authorized Payments may be Paid (check one or more boxes)	Identified Funding Sources (Expand as necessary)
	CFD No. __, Improvement Area No. __ Bonds
	Remainder Taxes for CFD No. __, Improvement Area No. __
	CFD No. __, Improvement Area No. __ Bonds
	Remainder Taxes for CFD No. __, Improvement Area No. __
X	Tax Allocation Debt for Candlestick Site
X	Candlestick Net Available Increment
	Candlestick Housing Increment
	Tax Allocation Debt for Shipyard Site
	Shipyard Net Available Increment
	Shipyard Housing Increment
Total Authorized Payment	

In connection with this Payment Request, the Developer hereby represents and warrants to the Agency as follows:

1. The person signing this Payment Request is a duly authorized officer of Developer, qualified to execute this Payment Request for payment on behalf of Developer and is knowledgeable as to the matters set forth in this Payment Request.
2. The items for which payment is requested have not been the subject of any prior payment request submitted to the Agency, or if they have, have been removed from any prior payment request and acknowledged as such by the Agency.
3. Developer is in compliance with the terms and provisions of the Acquisition and Reimbursement Agreement and no portion of the amount being requested to be paid was previously paid.

4. To the knowledge of the Developer, Developer is not delinquent in the payment of ad valorem real property taxes, possessory interest taxes or special taxes or special assessments levied on the regular County tax rolls against property owned by Developer in the Project Site.

Developer hereby declares that the above representations and warranties and all information provided in this Payment Request, including attachments and exhibits, are true and correct to the best of its knowledge.

DEVELOPER:

CP Development Co., LLC

By:

Dickie Myland

Vice President

Authorized Representative

Date:

6/19/19

Attachments:

☐ Proof of Payment

☒ Authorized Payment Calculation

DEEMED APPROVAL NOTICE

Under Section 5.02 of the Acquisition and Reimbursement Agreement, if you fail to notify Developer that this Payment Request is Approved or disapproved within ten (10) Business Days after your receipt of this Payment Request, it will be Deemed Approved.

Payment Request Approved and counter-signed on 6/19/2019:

By:

DocuSigned by:

Nadia Sesay

Executive Director

Successor Agency to the San Francisco Redevelopment Agency

EXHIBIT B

Description of Acquisition Facilities and Components, with Cost Estimates, and Authorized Payments and Components

PAYMENT REQUEST NO. 1
MADE ON BEHALF OF: CP Development Co., LLC (“Developer”)
MAJOR PHASE: Candlestick Major Phase 1 SUB-PHASE: ALL

Pre-Agreement Costs*

(1) Liquidated sum in the Summary Proforma	\$50,981,842
(2) Phase 2 Deferred Costs*	760,000
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TOTAL Pre-Agreement Costs	\$51,741,842

** See Section “5.2 Defined Terms” of the Financing Plan of DDA (CP/HPS2) for scopes and definitions of “Pre-Agreement Costs” and “Phase 2 Deferred Costs”. The latter is included as part of the “Pre-Agreement Costs”.*

HPS/CP Infrastructure RPTTF						
Period	ROPS Authorty		Received	Paid to 5 Point	Received vs. Paid	Payment Info
17-18A	\$	-	\$ -	\$ -	\$ -	
17-18B	\$	-	\$ 140,402.27	\$ -	\$ 140,402.27	
Total	\$	-	\$ 140,402.27	\$ -	\$ 140,402.27	
18-19A	\$	-	\$ 93,601.52	\$ -	\$ 93,601.52	
18-19B	\$	187,200.00	\$ 141,129.51	\$ 187,203.03	\$ (46,073.52)	Payment 1 ROPS 18-19A&B
Total	\$	187,200.00	\$ 234,731.03	\$ 187,203.03	\$ 47,528.00	
19-20A	\$	150,538.00	\$ 389,296.00	\$ 150,538.00	\$ 238,758.00	Payment 2 ROPS 19-20A
19-20B	\$	785,332.00	\$ 506,803.02	\$ 745,561.02	\$ (238,758.00)	Payment 3 ROPS 19-20B
				\$ 39,771.00	\$ (39,771.00)	Payment 4 ROPS 19-20B - Prior Balance
Total	\$	935,870.00	\$ 896,099.02	\$ 935,870.02	\$ (39,771.00)	
20-21A	\$	475,246.00	\$ 506,802.00	\$ 506,802.00	\$ -	Payment 5 ROPS 20-21A
	\$	475,246.00			\$ -	
	\$	950,492	\$ 506,802	\$ 506,802	\$ -	
Net Remainder for 5 Point					\$ 148,159.27	

Pre - Agreement Costs	
Payment Request 1	\$ (51,741,842.00)
Payment 1	\$ 187,203.03
Payment 2	\$ 150,538.00
Payment 3	\$ 745,561.02
Payment 4	\$ 39,771.00
Payment 5	\$ 506,802.00
Total	\$ 1,629,875.05
Net	\$ (50,111,966.95)