FISCAL AGENT AGREEMENT

by and between the

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY AND COUNTY
OF SAN FRANCISCO

and

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

Dated as of July 1, 2014

Relating to:

$__________
Successor Agency to the
Redevelopment Agency of the City and County of San Francisco
Community Facilities District No. 7
(Hunters Point Shipyard Phase One Improvements)
Special Tax Refunding Bonds, Series 2014
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FISCAL AGENT AGREEMENT

THIS FISCAL AGENT AGREEMENT (this “Fiscal Agent Agreement”) is made and entered into as of July 1, 2014, by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public entity duly existing under the laws of the State of California (the “Successor Agency”), as successor agency to the Redevelopment Agency of the City and County of San Francisco (the “Former Agency”), for and on behalf of the “Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements)” (the “CFD”), 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 with a corporate trust office located in San Francisco, California, as fiscal agent (the “Fiscal Agent”).

WITNESSETH:

WHEREAS, the Commission of the Former Agency (the “Former Commission”) formed the CFD under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (section 53311 et seq. of the California Government Code) (the “Act”) and Resolution No. 45-2000 of the Redevelopment Agency Commission adopted on March 28, 2000; and

WHEREAS, the Former Commission, as the legislative body with respect to the CFD prior to the dissolution of the Former Agency, was authorized under the Act to levy special taxes to pay for the costs of facilities within the CFD and to authorize the issuance of bonds secured by said special taxes under the Act; and

WHEREAS, under the provisions of the Act and an Indenture of Trust, dated as of April 5, 2005, by and between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Prior Bonds Trustee”), the Former Agency, on behalf of the CFD, previously issued its $34,500,000 initial principal amount of Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) Variable Rate Demand Special Tax Bonds, 2005 Series A (the “Prior Bonds”); and

WHEREAS, the Prior Bonds were subsequently remarketed pursuant to an Amended and Restated Indenture of Trust, dated as of January 21, 2010 (the “Prior Bonds Indenture of Trust”), between the Former Agency and the Prior Bonds Trustee; and

WHEREAS, under California Assembly Bill No. 1X26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session) (“AB 26”) and the California Supreme Court’s decision in California Redevelopment Association v. Matosantos, No. 5194861, all redevelopment agencies in the State of California (the “State”), including the Former Agency, were dissolved by operation of law as of February 1, 2012, and their non-affordable housing assets and obligations were transferred to certain designated successor agencies; and

WHEREAS, under the provisions of AB 26, the City and County of San Francisco (the “City”) was designated as the successor agency to the Former Agency (referred to in this Fiscal
Agent Agreement as the “Successor Agency”) to receive the nonaffordable housing assets of the Former Agency; and

WHEREAS, on January 1, 2012, the Board of Supervisors of the City adopted Resolution No. 11-12, which resolution, among other matters, (i) acknowledged that upon the Former Agency’s dissolution the City as Successor Agency under AB 26 accepted the transfer of all of the Former Agency’s non-affordable housing assets, and (ii) provided for the required payment and performance of the Former Agency’s enforceable obligations associated with the City’s exercise of its responsibilities as Successor Agency to the Former Agency under AB 26, including the Prior Bonds Indenture of Trust; and

WHEREAS, in June of 2012, the California legislature adopted Assembly Bill 1484 (“AB 1484”) amending certain provisions of AB 26, and the Governor of the State signed the bill and it became effective on June 27, 2012; and

WHEREAS, subsequent to the adoption of AB 1484, on October 2, 2012, the Board of Supervisors of the City adopted Ordinance No. 215-12 to be effective 30 days from its passage (the “Implementing Ordinance”), which Implementing Ordinance, among other matters: (i) acknowledged and confirmed that, as of the effective date of AB 1484, the Successor Agency is a separate legal entity from the City, (ii) acknowledged and confirmed that the Successor Agency holds, subject to the applicable rights and restrictions set forth in the Dissolution Act, title to all assets, and all rights, obligations and liabilities of the Former Agency, (iii) declared that the name of the Successor Agency is the “Successor Agency to the Redevelopment Agency of the City and County of San Francisco,” (iv) established the Successor Agency Commission (the “Successor Agency Commission”) and delegated to the Commission the authority (excluding authority as to the “Housing Assets,” as defined in the Implementing Ordinance) to act in place of the Former Commission to, among other matters: (a) implement, modify, enforce and complete the Former Agency’s enforceable obligations, except with respect to certain enforceable obligations for specified affordable housing purposes, (b) approve all contracts and actions related to the assets transferred to or returned by the Successor Agency, consistent with applicable enforceable obligations, and (c) take any action that the Dissolution Act requires or authorizes on behalf of the Successor Agency and any other action that the Successor Agency Commission deems appropriate consistent with the Dissolution Act to comply with such obligations, including, without limitation, authorizing additional obligations in furtherance of enforceable obligations, and approving the issuance of bonds to carry out the enforceable obligations, subject to any approval of the oversight board of the Successor Agency established pursuant to the provisions of the Dissolution Act (the “Oversight Board”), (v) designated the means by which the five members of the Successor Agency Commission would be determined, and (vi) provided for an Executive Director of and legal counsel to the Successor Agency; and

WHEREAS, the Successor Agency wishes to refinance the outstanding principal amount of the Prior Bonds and proposes to issue its Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) Special Tax Refunding Bonds, Series 2014 (the “2014 Bonds”); and

WHEREAS, after due investigation and deliberation, on April 15, 2014, the Successor Agency Commission adopted Resolution No. ______ (the “Resolution”) pursuant to which the Successor Agency Commission determined that it is in the interests of the Successor Agency and the CFD for the Successor Agency, for and on behalf of the CFD, to issue the 2014 Bonds and authorized the issuance of the 2014 Bonds; and
WHEREAS, on April 28, 2014, the Oversight Board reviewed the Successor Agency Commission’s adoption of the Resolution and, by its Resolution No. ______ (the “Oversight Board Resolution”), approved the actions of the Successor Agency contemplated by the Resolution; and

WHEREAS, on ___, 20__, the Department of Finance of the State of California, in a letter to the Successor Agency, approved the Oversight Board Resolution; and

WHEREAS, on ___, 2014, the Successor Agency Commission adopted Resolution No. ______ (the “Supplemental 2014 Resolution”) pursuant to which the Successor Agency Commission confirmed its approval of the issuance of the 2014 Bonds and approved, among other things, the distribution of a preliminary official statement and a final official statement for the 2014 Bonds; and

WHEREAS, it is in the public interest and for the benefit of the Successor Agency, the CFD and the persons responsible for the payment of special taxes that the Successor Agency enter into this Fiscal Agent Agreement to provide for the issuance of the 2014 Bonds hereunder to refinance the Prior Bonds and to provide for the disbursement of proceeds of the 2014 Bonds, the disposition of the special taxes securing the 2014 Bonds and the administration and payment of the 2014 Bonds; and

WHEREAS, the Successor Agency has determined that all things necessary to cause the 2014 Bonds, when authenticated by the Fiscal Agent and issued as provided in the Act, the Dissolution Act, the Refunding Law, the Resolution and this Fiscal Agent Agreement, to be legal, valid, binding and limited obligations in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Fiscal Agent Agreement and the creation, authorization, execution and issuance of the 2014 Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, in consideration of the covenants and provisions herein set forth and for other valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:
ARTICLE I

AUTHORITY AND DEFINITIONS

Section 1.01. Authority for this Fiscal Agent Agreement. This Fiscal Agent Agreement is entered into pursuant to the Act, the Dissolution Act, the Refunding Law and the Resolution.

Section 1.02. Agreement for Benefit of Owners of the Bonds. The provisions, covenants and agreements herein set forth to be performed by or on behalf of the Successor Agency shall be for the equal benefit, protection and security of the Owners of the Bonds. All of the Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this Agreement.

Section 1.03. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.03 shall, for all purposes of this Fiscal Agent Agreement, of any Supplemental Agreement, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified. All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

“AB 1484” means Assembly Bill 1484 adopted by the California Legislature in June of 2012, and as signed by the Governor of the State of California on June 27, 2012.

“AB 26” means Assembly Bill No. 1X26, as adopted by the California Legislature and codified as Chapter 5, Statutes of 2011-12, First Extraordinary Session.


“Acquisition Agreement” means the Acquisition Agreement, dated as of April 5, 2005, between Lennar-BVHP, LLC and the Former Agency, as originally executed and as thereafter amended or supplemented in accordance with its terms.

“Administrative Expenses” means costs directly related to the administration of the CFD consisting of: the actual costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by a Successor Agency employee or consultant or both) and the actual costs of collecting the Special Taxes (whether by the Successor Agency or otherwise); the actual costs of remitting the Special Taxes to the Fiscal Agent; actual costs of the Fiscal Agent (including its legal counsel) in the discharge of its duties under this Agreement; the actual costs of the Successor Agency or its designee of complying with the disclosure provisions of federal and state law, including but not limited to the Act, and this Agreement, including those related to public inquiries regarding the Special Tax and disclosures to Owners of the Bonds and the Original Purchaser; the actual costs of the Successor Agency or its designee related to an appeal of the Special Tax; any amounts required to be rebated to the federal government; an allocable share of the salaries of the Successor Agency staff directly related to the foregoing and a proportionate amount of Successor Agency general
administrative overhead related thereto. Administrative Expenses shall also include amounts advanced by the Successor Agency for any administrative purpose of the CFD, including costs related to prepayments of Special Taxes, recordings related to such prepayments and satisfaction of Special Taxes, amounts advanced to ensure maintenance of tax exemption, and the costs of prosecuting foreclosure of delinquent Special Taxes, which amounts advanced are subject to reimbursement from other sources, including proceeds of foreclosure.

"Administrative Expense Fund" means the fund designated the "Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) Administrative Expense Fund" established and administered under Section 4.06.

"Agreement" means this Fiscal Agent Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement adopted pursuant to the provisions hereof.

"Annual Debt Service" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled, and (ii) the principal amount of the Outstanding Bonds due in such Bond Year (including any mandatory sinking payment due in such Bond Year).

"Auditor" means the auditor/controller of the City and County, or such other official at the City and County who is responsible for preparing property tax bills.

"Authorized Officer" means the Executive Director, the Finance Director or the Secretary of the Successor Agency, or any officer or employee authorized by the Successor Agency Commission or the Board of Supervisors of the City and County or by an Authorized Officer to undertake the action referenced in this Agreement as required to be undertaken by an Authorized Officer.

"Bond Counsel" means Jones Hall, A Professional Law Corporation or any other attorney or firm of attorneys acceptable to the Successor Agency and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

"Bond" or "Bonds" means the 2014 Bonds and, if the context requires, any Parity Bonds, at any time Outstanding under this Fiscal Agent Agreement or any Supplemental Agreement.

"Bond Fund" means the fund designated the "Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) Special Tax Bonds, Bond Fund" established and administered under Section 4.04.

"Bond Year" means the one-year period beginning on August 2nd in each year and ending on August 1st in the following year, except that the first Bond Year shall begin on the Closing Date and shall end on August 1, 2014.

"Business Day" means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in the state in which the Fiscal Agent has its principal corporate trust office are authorized or obligated by law or executive order to be closed.
“CDIAC” means the California Debt and Investment Advisory Commission of the Office of the State Treasurer, or any successor agency, board or commission.

“CFD” means the “Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements)” formed under the Resolution of Formation.

“CFD Value” means the market value, as of the date of the appraisal described below and/or the date of the most recent City and County real property tax roll, as applicable, of all parcels of real property in the CFD subject to the levy of the Special Taxes and not delinquent in the payment of any Special Taxes then due and owing, including with respect to such nondelinquent parcels the value of the then existing improvements and any facilities to be constructed or acquired with any amounts then on deposit in the Improvement Fund relating to the Prior Bonds and with the proceeds of any proposed series of Parity Bonds, as determined with respect to any parcel or group of parcels by reference to (i) an appraisal performed within six (6) months of the date of issuance of any proposed Parity Bonds by an MAI appraiser (the “Appraiser”) selected by the Successor Agency, or (ii), in the alternative, the assessed value of all such nondelinquent parcels and improvements thereon as shown on the then current City and County real property tax roll available to the Finance Director. It is expressly acknowledged that, in determining the CFD Value, the Successor Agency may rely on an appraisal to determine the value of some or all of the parcels in the CFD and/or the most recent City and County real property tax roll as to the value of some or all of the parcels in the CFD. Neither the Successor Agency nor the Finance Director shall be liable to the Owners, the Original Purchaser or any other person or entity in respect of any appraisal provided for purposes of this definition or by reason of any exercise of discretion made by any Appraiser pursuant to this definition.

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

“City Attorney” means any attorney or firm of attorneys employed by the City in the capacity of city attorney.

“Closing Date” means the date upon which there is a physical delivery of the 2014 Bonds in exchange for the amount representing the purchase price of the 2014 Bonds by the Original Purchaser.

“Continuing Disclosure Certificate” shall mean that certain Continuing Disclosure Certificate executed by the Successor Agency and dated the date of issuance and delivery of the 2014 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means items of expense payable or reimbursable directly or indirectly by the Successor Agency and related to the authorization, sale, delivery and issuance of the Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, appraisal costs, filing and recording fees, fees and expenses of counsel to the Successor Agency, initial fees and charges of the Fiscal Agent including its first annual administration fees and its legal fees and charges, including the allocated costs of in-house attorneys, fees and expenses incurred by the Successor Agency, the Oversight Board, the City and any owner of property in the CFD in connection with the issuance of the Bonds, Bond (underwriter’s) discount, legal fees and charges, including bond counsel and disclosure counsel, and counsel to any financial consultant, financial consultant’s
fees, charges for execution, authentication, transportation and safekeeping of the Bonds, fees of rating agencies, and other costs, charges and fees in connection with the foregoing.

“Costs of Issuance Fund” means the fund designated the “Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) Special Tax Bonds, Costs of Issuance Fund” established and administered under Section 4.02.

“Dated Date” means the dated date of the 2014 Bonds, which is the Closing Date.

“Debt Service” means the scheduled amount of interest and amortization of principal payable on the 2014 Bonds under Sections 2.02 and 2.03 and the scheduled amount of interest and amortization of principal payable on any Parity Bonds during the period of computation, in each case excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository for book-entry under Section 2.10.

“Dissolution Act” means, collectively, AB 26, as amended by AB 1484.

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

“Escrow Agreement” means the Escrow Deposit and Trust Agreement, dated as of July 1, 2014, by and between the Successor Agency, for and on behalf of the CFD, and the Escrow Bank.


“Escrow Fund” means the “Escrow Fund” established pursuant to the Escrow Agreement.

“Executive Director” means the Executive Director of the Successor Agency, or such official’s designee.

“Fair Market Value” means with respect to the Bonds 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 Tax 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 Tax 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 Tax Code, (iii) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the Successor Agency and related parties do not own more than a ten percent (10%)
beneficial interest if the return paid by such fund is without regard to the source of the investment.

“Federal Securities” means: (a) any direct 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), the payment of principal of and interest on which are unconditionally and fully guaranteed by the United States of America; and (b) any obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

“Finance Director” means the Deputy Executive Director, Finance and Administration of the Successor Agency, or such official’s designee.

“Fiscal Agent” means The Bank of New York Mellon Trust Company, N.A., the Fiscal Agent appointed by the Successor Agency and acting as an independent fiscal agent with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 7.01.

“Fiscal Year” means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

“Former Agency” means the Redevelopment Agency of the City and County of San Francisco.

“Former Commission” means the Commission to the Former Agency.

“Improvement Fund” means the fund designated the “Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) Special Tax Bonds, Improvement Fund” established and administered under Section 4.07.

“Independent Financial Consultant” means any consultant or firm of such consultants appointed by the Finance Director, and who, or each of whom: (i) is judged by the Finance Director to have experience in matters relating to the issuance and/or administration of bonds under the Act; (ii) is in fact independent and not under the domination of the Successor Agency or the City and County; (iii) does not have any substantial interest, direct or indirect, with or in the Successor Agency or the City and County, or any owner of real property in the CFD, or any real property in the CFD; and (iv) is not connected with the Successor Agency or the City and County as an officer or employee of the Successor Agency or the City and County, but who may be regularly retained to make reports to the Successor Agency or the City and County.

“Interest Payment Date” means each August 1 and February 1 of every calendar year, commencing with February 1, 2015.


“Letter of Credit Bank” means JP Morgan Chase Bank, N.A. as the issuer of the Letter of Credit.
“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.


“MSRB” means the Municipal Securities Rulemaking Board, or any successor thereto.

“Officer’s Certificate” means a written certificate of the Successor Agency signed by an Authorized Officer of the Successor Agency.

“Ordinance” means any ordinance of the Commission of the Former Agency or the Successor Agency Commission levying the Special Taxes, including but not limited to Ordinance No. _____ introduced by the Commission on May 6, 2014 and adopted by the Successor Agency Commission on May 20, 2014.

“Original Purchaser” means, collectively, Stifel Nicolaus & Company, Incorporated, and Backstrom McCarley Berry, the first purchasers of the 2014 Bonds from the Successor Agency.

“Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 8.04) all Bonds except (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Successor Agency under this Fiscal Agent Agreement or any Supplemental Agreement.

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

“Owner” or “Bondowner” means any person who shall be the registered owner of any Outstanding Bond.

“Parity Bonds” means additional bonds issued and payable on a parity with the Bonds under Section 3.06.

“Participating Underwriter” shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

“Permitted Investments” means the following, but only to the extent that the same are acquired at Fair Market Value:

(a) Federal Securities.

(b) any of the following direct or indirect obligations of the following agencies of the United States of America: (i) direct obligations of the Export-Import Bank; (ii) certificates of beneficial ownership issued by the Farmers Home Administration; (iii) participation certificates issued by the General Services Administration; (iv) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Federal Housing Administration; (v) project notes issued by the United States
Department of Housing and Urban Development; and (vi) public housing notes and bonds guaranteed by the United States of America;

(c) interest-bearing demand or time deposits (including certificates of deposit) or deposit accounts in federal or state chartered savings and loan associations or in federal or State of California banks (including the Fiscal Agent, its parent, if any, and affiliates), provided that (i) the unsecured short-term obligations of such commercial bank or savings and loan association shall be rated in the highest short-term rating category by any Rating Agency, or (ii) such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation;

(d) commercial paper rated in the highest short-term rating category by any Rating Agency, issued by corporations which are organized and operating within the United States of America, and which matures not more than 180 days following the date of investment therein;

(e) bankers acceptances, consisting of bills of exchange or time drafts drawn on and accepted by a commercial bank, including its parent (if any), affiliates and subsidiaries, whose short-term obligations are rated in the highest short-term rating category by any Rating Agency, or whose long-term obligations are rated A or better by any Rating Agency, which mature not more than 270 days following the date of investment therein;

(f) obligations the interest on which is excludable from gross income pursuant to Section 103 of the Tax Code and which are either (a) rated A or better by any Rating Agency, or (b) fully secured as to the payment of principal and interest by Federal Securities;

(g) obligations issued by any corporation organized and operating within the United States of America having assets in excess of Five Hundred Million ($500,000,000), which obligations are rated A or better by any Rating Agency;

(h) money market funds (including money market funds for which the Fiscal Agent, its affiliates or subsidiaries provide investment advisory or other management services) which invest in Federal Securities or which are rated in the highest short-term rating category by any Rating Agency; and

(i) any investment agreement representing general unsecured obligations of a financial institution rated A or better by any Rating Agency, by the terms of which the Fiscal Agent is permitted to withdraw all amounts invested therein in the event any such rating falls below A.

(j) the Local Agency Investment Fund established pursuant to Section 16429.1 of the Government Code of the State of California, provided, however, that the Fiscal Agent shall be permitted to make investments and withdrawals in its own name and the Fiscal Agent may restrict investments in the such fund if necessary to keep moneys available for the purposes of this Fiscal Agent Agreement.

(k) the California Asset Management Program.
“Principal Office” means such corporate trust office of the Fiscal Agent as may be designated from time to time by written notice from the Fiscal Agent to the Successor Agency, initially being at the address set forth in Section 9.06, or such other office designated by the Fiscal Agent from time to time; except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or agency of the Fiscal Agent at which, at any particular time, its corporate trust agency business shall be conducted.

“Prior Bonds” means the Former Agency’s $34,500,000 initial principal amount Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) Variable Rate Demand Special Tax Bonds, 2005 Series A.

“Prior Bonds Indenture of Trust” means the Amended and Restated Indenture of Trust, dated as of January 21, 2010, between the Former Agency and the Prior Bonds Trustee.


“Proceeds” when used with reference to the Bonds, means the face amount of the Bonds, plus any accrued interest and premium, less any original issue and/or underwriter’s discount.

“Project” means those items described as the “Facilities” in the Resolution of Formation.

“Record Date” means the fifteenth day of the calendar month next preceding the applicable Interest Payment Date, whether or not such day is a Business Day.

“Refunding Bonds” means bonds issued by the Successor Agency for the CFD, the net proceeds of which are used to refund all or a portion of the then-Outstanding Bonds; provided that the total interest cost to maturity on the proposed bonds plus the principal amount of the proposed bonds exceeds the total interest cost to maturity on the Bonds to be refunded plus the principal amount of the Bonds to be refunded and the final maturity of the proposed bonds is not later than the final maturity of the Bonds being refunded.

“Refunding Law” means Article 11, commencing with Section 53580, of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code.

“Regulations” means temporary and permanent regulations promulgated under the Tax Code.

“Reserve Fund” means the fund designated the “Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements), Special Tax Bonds, Reserve Fund” established and administered under Section 4.03.

“Reserve Requirement” means, as of the date of any calculation, an amount equal to the least of (i) Maximum Annual Debt Service on the Outstanding Bonds, (ii) 125% of average Annual Debt Service on the Outstanding Bonds and (iii) 10% of the original principal amount of the Bonds.
“Resolution” or “Resolution of Issuance” means Resolution No. ______ adopted by the Council on April 15, 2014, authorizing the issuance of the 2014 Bonds.

“Resolution of Formation” means Resolution No. 36-2005 adopted by the Former Commission on April 5, 2005, forming the CFD, as amended by the 2008 Resolution of Change and the 2014 Resolution of Change.

“Resolution of Intention” means Resolution No. 5-2005, adopted by the Former Commission on January 18, 2005, indicating the intention of the Former Commission to form the CFD.


“Securities Depositories” means DTC and, in accordance with then current guidelines of the Securities and Exchange Commission, such other securities depositories as the Successor Agency may designate in an Officer’s Certificate delivered to the Fiscal Agent.

“Special Tax Fund” means the special fund designated “Redevelopment Agency for the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements), Special Tax Fund” established and administered under Section 4.05.

“Special Tax Prepayments” means the proceeds of any Special Tax prepayments received by the Successor Agency, as calculated pursuant to the rate and method of apportionment of special taxes approved in the Resolution of Formation for the CFD, less any administrative fees or penalties collected as part of any such prepayment.

“Special Tax Prepayments Account” means the account by that name established within the Bond Fund by Section 4.04(A) hereof.

“Special Tax Revenues” means the proceeds of the Special Taxes received by the Successor Agency, including any scheduled payments thereof and any Special Tax Prepayments, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest thereon, but shall not include any interest in excess of the interest due on the Bonds or any penalties collected in connection with any such foreclosure.

“Special Taxes” means the special taxes levied by the Successor Agency within the CFD under the Act, the Ordinance and this Agreement.

“State” means the State of California.

“Successor Agency” means the Successor Agency to the Redevelopment Agency of the City and County of San Francisco.

“Successor Agency Commission” means the Commission of the Successor Agency.

“Supplemental Agreement” means an agreement the execution of which is authorized by a resolution which has been duly adopted by the Successor Agency under the Act and the Dissolution Act (if applicable) and which agreement is amendatory of or supplemental to this
Fiscal Agent Agreement, but only if and to the extent that such agreement is specifically authorized hereunder.


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

“Tax Consultant” means an independent financial or tax consultant retained by the Successor Agency for the purpose of computing the Special Taxes.

“Term Bonds” means the (i) 2014 Bonds maturing on August 1, _____ and (ii) the 2014 Bonds maturing on August 1, ____.


“2014 Bonds” means the Bonds so designated and authorized to be issued under Section 2.01 hereof.

ARTICLE II
THE BONDS

Section 2.01. Principal Amount; Designation. The 2014 Bonds in the aggregate principal amount of _______________ Dollars ($______________) are hereby authorized to be issued by the Successor Agency for the CFD under and subject to the terms of the Act, the Dissolution Act, the Refunding Law, the Resolution, this Fiscal Agent Agreement and other applicable laws of the State of California. The 2014 Bonds shall be designated as the “Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) Special Tax Refunding Bonds, Series 2014,” and shall be in the initial principal amount of $______.

Section 2.02. Terms of the 2014 Bonds.

(A) Form; Denominations. The 2014 Bonds shall be issued as fully registered Bonds without coupons. The 2014 Bonds shall be lettered and numbered in a customary manner as determined by the Fiscal Agent. The 2014 Bonds shall be issued in the denominations of $5,000 or any integral multiple in excess thereof.

(B) Date of 2014 Bonds. The 2014 Bonds shall be dated the Closing Date.

(C) CUSIP Identification Numbers. “CUSIP” identification numbers may, at the election of the Original Purchaser of the Bonds, be imprinted on the Bonds, but such numbers shall not constitute a part of the contract evidenced by the Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Bonds. In addition, failure on the part of the Successor Agency or the Fiscal Agent to use such CUSIP numbers in any notice to Owners shall not constitute an event of default or any violation of the Successor Agency’s contract with such Owners and shall not impair the effectiveness of any such notice.

(D) Maturities; Interest Rates. The 2014 Bonds shall mature and become payable on each August 1, and shall bear interest at the rates per annum indicated in the below table.

<table>
<thead>
<tr>
<th>Maturity (August 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(E) Interest. The 2014 Bonds shall bear interest at the rates set forth above payable on the Interest Payment Dates in each year. Interest on all Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated on or before the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Dated Date; provided, however, that if at the time of authentication of a Bond, interest is in
default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(F) Method of Payment. Interest on the Bonds (including the final interest payment upon maturity or earlier redemption), is payable on the applicable Interest Payment Date by check of the Fiscal Agent mailed by first class mail to the registered Owner thereof at such registered Owner’s address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon written instructions of any Owner of $1,000,000 or more in aggregate principal amount of Bonds delivered to the Fiscal Agent prior to the applicable Record Date, which instructions shall continue in effect until revoked in writing, or until such Bonds are transferred to a new Owner. The principal of the Bonds and any premium on the Bonds are payable in lawful money of the United States of America upon surrender of the Bonds at the Principal Office of the Fiscal Agent. All Bonds paid by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled Bonds and, upon request of the Successor Agency, issue a certificate of destruction of such Bonds to the Successor Agency.

Section 2.03. Redemption.

(A) Redemption Provisions.

(i) Optional Redemption. The 2014 Bonds maturing on August 1, 20__ and thereafter are subject to redemption prior to their stated maturities, on any Interest Payment Date, in whole or in part, at a redemption price (expressed as a percentage of the principal amount of the 2014 Bonds to be redeemed) as set forth below, together with accrued interest thereon to the date fixed for redemption:

<table>
<thead>
<tr>
<th>Redemption Date</th>
<th>Redemption Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>On or before August 1, 20__</td>
<td>___%</td>
</tr>
<tr>
<td>On August 2, 20__ through August 1, 20__</td>
<td>___</td>
</tr>
<tr>
<td>On August 2, 20__ and thereafter</td>
<td>___</td>
</tr>
</tbody>
</table>

(ii) Mandatory Sinking Fund Redemption. The Term Bond maturing on August 1, ____ is subject to mandatory redemption in part by lot, from sinking fund payments made by the Successor Agency from the Bond Fund, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts all as set forth in the following table:

<table>
<thead>
<tr>
<th>Sinking Fund Redemption Date</th>
<th>Principal Amount Subject to Redemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>(August 1)</td>
<td></td>
</tr>
</tbody>
</table>

Provided, however, if some but not all of the Term Bonds of a given maturity have been redeemed under subsection (i) above or subsection (iii) below, the total amount of all future Sinking Fund Payments relating to such maturity shall be reduced by the aggregate principal amount of Term Bonds of such maturity so redeemed, to be
allocated among such Sinking Fund Payments on a pro rata basis in integral multiples of $5,000 as determined by the Fiscal Agent, notice of which determination (which shall consist of a revised sinking fund schedule) shall be given by the Fiscal Agent to the Successor Agency.

(iii) **Redemption from Special Tax Prepayments.** Special Tax Prepayments and any corresponding transfers from the Reserve Fund pursuant to Section 4.03(F) shall be used to redeem 2014 Bonds on the next Interest Payment Date for which notice of redemption can timely be given under Section 2.03(D), among maturities so as to maintain substantially the same debt service profile for the 2014 Bonds as in effect prior to such redemption and by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount of the 2014 Bonds to be redeemed), as set forth below, together with accrued interest to the date fixed for redemption:

<table>
<thead>
<tr>
<th>Redemption Date</th>
<th>Redemption Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>On or before August 1, 20__</td>
<td></td>
</tr>
<tr>
<td>On August 2, 20__ through August 1, 20__</td>
<td></td>
</tr>
<tr>
<td>On August 2, 20__ and thereafter</td>
<td></td>
</tr>
</tbody>
</table>

(B) **Notice to Fiscal Agent.** The Successor Agency shall give the Fiscal Agent written notice of its intention to redeem 2014 Bonds under subsection (A)(i) and (A)(iii) not less than forty-five (45) days prior to the applicable redemption date or such lesser number of days as shall be authorized by the Fiscal Agent.

(C) **Purchase of Bonds in Lieu of Redemption.** In lieu of redemption under Section 2.03(A), moneys in the Bond Fund or other funds provided by the Successor Agency may be used and withdrawn by the Fiscal Agent for purchase of Outstanding 2014 Bonds, upon the filing with the Fiscal Agent of an Officer’s Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer’s Certificate may provide, but in no event may 2014 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase and any premium which would otherwise be due if such 2014 Bonds were to be redeemed in accordance with this Agreement. Any 2014 Bonds purchased pursuant to this Section 2.03(C) shall be treated as outstanding 2014 Bonds under this Fiscal Agent Agreement, except to the extent otherwise directed by the Finance Director.

(D) **Redemption Procedure by Fiscal Agent.**

(i) **Notices.** The Fiscal Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption, to the Securities Depositories, to the MSRB, and to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Fiscal Agent; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Bonds.

(ii) **Contents of Notices.** Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption shall state as to any Bond called in part the principal amount thereof to
be redeemed, and shall require that such Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and shall state that further interest on such Bonds will not accrue from and after the redemption date. The cost of mailing any such redemption notice and any expenses incurred by the Fiscal Agent in connection therewith shall be paid by the Successor Agency.

The Successor Agency has the right to rescind any notice of the redemption of Bonds under Section 4.01(a) (or any corresponding optional redemption provision in a Supplemental Agreement) by written notice to the Fiscal Agent on or prior to the dated fixed for redemption. Any notice of redemption shall be cancelled 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 Agreement. The Successor Agency and the Fiscal Agent have no liability to the Owners of the Bonds or any other party related to or arising from such rescission of redemption. The Fiscal Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under this Section.

(iii) Redemption. Whenever provision is made in this Agreement for the redemption of less than all of the Bonds of any maturity or any given portion thereof, the Fiscal Agent shall select the Bonds to be redeemed, from all Bonds or such given portion thereof not previously called for redemption, by lot in any manner which the Fiscal Agent in its sole discretion shall deem appropriate; provided, however, that if Bonds are to be redeemed as a result of Special Tax Prepayments, Bonds shall be selected for redemption on a pro-rata basis among maturities.

(iv) New Bonds. Upon surrender of Bonds redeemed in part only, the Successor Agency shall execute and the Fiscal Agent shall authenticate and deliver to the registered Owner, at the expense of the Successor Agency, a new Bond or Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds of such registered Owner.

(E) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds so called for redemption shall have been deposited in the Bond Fund, such Bonds so called shall cease to be entitled to any benefit under this Agreement other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in the notice of redemption. All Bonds redeemed and purchased by the Fiscal Agent under this Section 2.03 shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled Bonds in accordance with the Fiscal Agent’s retention policy then in effect.

Section 2.04. Form of Bonds. The 2014 Bonds, the Fiscal Agent’s certificate of authentication and the assignment, to appear thereon, shall be substantially in the forms, respectively, set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, the Resolution and the Act, the Dissolution Act and the Refunding Law.
Section 2.05. Execution and Authentication of Bonds.

(A) Execution. The Bonds shall be executed on behalf of the Successor Agency by the manual or facsimile signatures of its Executive Director and its Finance Director or her or his designee and the signature of its Secretary who are in office on the date of execution of this Agreement 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 Owner, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Owner. Any Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual date of the execution of such Bond shall be the proper officers of the Successor Agency although at the nominal date of such Bond any such person shall not have been such officer of the Successor Agency.

(B) Authentication. Only such Bonds as shall bear thereon a certificate of authentication in substantially the form set forth in Exhibit A, executed and dated by the Fiscal Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Agreement, and such certificate of authentication of the Fiscal Agent shall be conclusive evidence that the Bonds registered hereunder have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Agreement. In the event temporary Bonds are issued pursuant to Section 2.08 hereof, such temporary Bonds may bear thereon a Certificate of Authentication executed and dated by the Fiscal Agent, may be initially registered by the Fiscal Agent, and, until so exchanged as provided under Section 2.08 hereof, such temporary Bonds shall be entitled to the same benefits pursuant to this Agreement as definitive Bonds authenticated and delivered hereunder.

Section 2.06. Transfer or Exchange of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept under the provisions of Section 2.07 by the person in whose name it is registered, in person or by such person’s duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form acceptable to the Fiscal Agent. Bonds may be exchanged at the Principal Office of the Fiscal Agent solely for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer or exchange shall be paid by the Successor Agency. The Fiscal Agent shall collect from the Owner requesting such transfer or exchange any tax or other governmental charge required to be paid with respect to such transfer or exchange. Whenever any Bond or Bonds shall be surrendered for transfer or exchange, the Successor Agency shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for a like aggregate principal amount. No transfers or exchanges of Bonds shall be required to be made (i) fifteen days prior to the date established by the Fiscal Agent for selection of Bonds for redemption or (ii) with respect to a Bond after such Bond has been selected for redemption; or (iii) between a Record Date and the succeeding Interest Payment Date.

Section 2.07. Bond Register. The Fiscal Agent will keep, or cause to be kept, at its Principal Office sufficient books for the registration and transfer of the Bonds which books shall show the series number, date, amount, rate of interest and last known owner of each Bond and shall at all times be open to inspection by the Successor Agency during regular business hours upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Bonds as hereinbefore provided. The
Successor Agency and the Fiscal Agent will treat the Owner of any Bond whose name appears on the Bond register as the absolute Owner of such Bond for any and all purposes, and the Successor Agency and the Fiscal Agent shall not be affected by any notice to the contrary. The Successor Agency and the Fiscal Agent may rely on the address of the Owner as it appears in the Bond register for any and all purposes.

Section 2.08. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such authorized denominations as may be determined by the Successor Agency, and may contain such reference to any of the provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the Successor Agency upon the same conditions and in substantially the same manner as the definitive Bonds. If the Successor Agency issues temporary Bonds, it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange for the definitive Bonds at the Principal Office of the Fiscal Agent or at such other location as the Fiscal Agent shall designate, and the Fiscal Agent shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Agreement as definitive Bonds authenticated and delivered hereunder.

Section 2.09. Bonds Mutilated, Lost, Destroyed or Stolen.

(A) Mutilated. If any Bond shall become mutilated, at the expense of the Owner of such Bond, the Successor Agency shall execute and the Fiscal Agent shall authenticate and deliver a replacement Bond of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Fiscal Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Fiscal Agent shall be canceled by it and destroyed by the Fiscal Agent, in accordance with the Fiscal Agent’s retention policy then in effect.

(B) Destroyed or Stolen. If any Bond shall be lost, destroyed or stolen, the Successor Agency shall execute and the Fiscal Agent shall authenticate and deliver a replacement Bond of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen, at the expense of the Owner, but only following provision by the Owner to the Fiscal Agent of indemnity for the Successor Agency and the Fiscal Agent satisfactory to the Fiscal Agent. The Successor Agency may require payment of a sum not exceeding the actual cost of preparing each a replacement Bond delivered under this Section and the Successor Agency and the Fiscal Agent may require payment of the expenses which may be incurred by the Successor Agency and the Fiscal Agent for the preparation, execution, authentication and delivery thereof. Any Bond delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Successor Agency whether or not the Bond so alleged to be lost, destroyed or stolen is at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Agreement with all other Bonds issued under this Agreement.

(C) Additional Stock. If the Fiscal Agent has an insufficient stock of unauthenticated printed Bonds for such purpose, it shall communicate with the Finance Director with respect to the printing of an additional stock of Bonds, in such quantities and as otherwise approved in writing by the Finance Director.
Section 2.10. Book-Entry Only System. DTC shall act as the initial Depository for the Bonds. One Bond for each maturity of the Bonds shall be initially executed, authenticated, and delivered as set forth herein with a separate fully registered certificate (in print or typewritten form). Upon initial execution, authentication, and delivery, the ownership of the Bonds shall be registered in the Bond register kept by the Fiscal Agent for the Bonds in the name of Cede & Co., as nominee of DTC or such nominee as DTC shall appoint in writing.

The Authorized Officers of the Successor Agency and the Fiscal Agent are hereby authorized to take any and all actions as may be necessary and not inconsistent with this Agreement to qualify the Bonds for the Depository’s book-entry system, including the execution of the Depository’s required representation letter.

With respect to Bonds registered in the Bond register in the name of Cede & Co., as nominee of DTC, neither the Successor Agency nor the Agent shall have any responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds Bonds as Depository from time to time (the “DTC Participants”) or to any person for which a DTC Participant acquires an interest in the Bonds (the “Beneficial Owners”). Without limiting the immediately preceding sentence, neither the Successor Agency nor the Fiscal Agent shall have any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant, any Beneficial Owner, or any other person, other than DTC, of any notice with respect to the Bonds, including any Bonds to be redeemed in the event the Successor Agency elects to redeem the Bonds, in part, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the Successor Agency elects to redeem the Bonds in part, (iv) the payments to any DTC Participant, any Beneficial Owner, or any person, other than DTC, of any amount with respect to the principal of or interest or premium on the Bonds, or (v) any consent given or other action taken by the Depository as Owner of the Bonds.

Except as set forth above, the Successor Agency and the Fiscal Agent may treat as and deem DTC to be the absolute Owner of each Bond, for which DTC is acting as Depository for the purpose of payment of the principal of and premium and interest on such Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bonds, for the purpose of registering transfers with respect to such Bonds, and for all purposes whatsoever. The Fiscal Agent on behalf of the Successor Agency shall pay all principal of and premium and interest on the Bonds only to or upon the order of the Owners as shown on the Bond register, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to the principal of and premium and interest on the Bonds to the extent of the sums or sums so paid.

No person other than an Owner, as shown on the Bond register, shall receive a physical Bond. Upon delivery by DTC to the Successor Agency and the Fiscal Agent of written notice to the effect the DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions in Section 2.06 hereof, references to “Cede & Co.” in this Section 2.10 shall refer to such new nominee of DTC.

DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Successor Agency and to the Fiscal Agent during any time that the Bonds are Outstanding, and discharging its responsibilities with respect thereto under applicable law. The Successor Agency may terminate the services of DTC with respect to the Bonds if it determines that DTC is unable to discharge its responsibilities with respect to
the Bonds or that continuation of the system of book-entry transfer through DTC is not in the best interest of the Beneficial Owners, and the Successor Agency shall mail notice of such termination to the Fiscal Agent.

Upon termination of the services of DTC as provided in the previous paragraph, and if no substitute Depository willing to undertake the functions hereunder can be found which is willing to undertake such functions upon reasonable or customary terms, or if the Successor Agency determines that it is in the best interest of the Beneficial Owners of the Bonds that they be able to obtain certified Bonds, the Bonds shall no longer be restricted to being registered in the Bond register of the Fiscal Agent in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names the Owners shall designate at that time, in accordance with Section 2.06.

To the extent that the Beneficial Owners are designated as the transferee by the Owners, in accordance with Section 2.06, the Bonds will be delivered to such Beneficial Owners.
ARTICLE III

ISSUANCE OF 2014 BONDS

Section 3.01. Issuance and Delivery of 2014 Bonds. At any time after the execution of this Fiscal Agent Agreement, the Successor Agency may issue the 2014 Bonds for the CFD in the aggregate principal amount set forth in Section 2.01 and deliver the 2014 Bonds to the Fiscal Agent for authentication and delivery to the Original Purchaser. The Authorized Officers of the Successor Agency are hereby authorized and directed to execute and deliver any and all documents and instruments necessary to cause the issuance of the 2014 Bonds in accordance with the provisions of the Act, the Dissolution Act, the Refunding Law, the Resolution and this Agreement, to authorize the payment of Costs of Issuance, to reimburse the Letter of Credit Bank for amounts drawn upon the Letter of Credit to defease and refund the Prior Bonds on the Closing Date, and to do and cause to be done any and all acts and things necessary or convenient for the timely delivery of the 2014 Bonds to the Original Purchaser. The Fiscal Agent is hereby authorized and directed to authenticate the 2014 Bonds and deliver them to the Original Purchaser, upon receipt of the purchase price for the 2014 Bonds.

Section 3.02. Pledge of Special Tax Revenues. The Bonds shall be secured by a first pledge (which pledge shall be effected in the manner and to the extent herein provided) of all of the Special Tax Revenues and all moneys deposited in the Bond Fund (including the Special Tax Prepayments Account) and the Reserve Fund, and, until disbursed as provided herein, in the Special Tax Fund. The Special Tax Revenues and all moneys deposited into such funds (except as otherwise provided herein) are hereby dedicated to the payment of the principal of, and interest and any premium on, the Bonds as provided herein and in the Act until all of the Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose under Section 9.03.

Amounts in the Costs of Issuance Fund and the Improvement Fund are not pledged to the repayment of the Bonds.

Section 3.03. Limited Obligation. All obligations of the Successor Agency under this Agreement and the Bonds shall not be general obligations of the City and County or the Successor Agency, but shall be limited obligations, payable solely from the Special Tax Revenues and the funds pledged therefore hereunder. Neither the faith and credit nor the taxing power of the Successor Agency (except to the limited extent set forth herein), the City and County or of the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

Section 3.04. No Acceleration. The principal of the Bonds shall not be subject to acceleration hereunder. Nothing in this Section shall in any way prohibit the redemption of Bonds under Section 2.03, or the defeasance of the Bonds and discharge of this Agreement under Section 9.03.

Section 3.05. Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be dependent upon the completion of the acquisition of the Project or upon the performance by any person of his obligation with respect to the Project.
Section 3.06. Parity Bonds. In addition to the 2014 Bonds, the Successor Agency may issue Parity Bonds in such principal amount as shall be determined by the Successor Agency, under a Supplemental Agreement entered into by the Successor Agency and the Fiscal Agent. Any such Parity Bonds shall constitute Bonds hereunder and shall be secured by a lien on the Special Tax Revenues and funds pledged for the payment of the Bonds hereunder on a parity with all other Bonds Outstanding hereunder. The Successor Agency may issue such Parity Bonds subject to the following specific conditions precedent:

(A) Compliance. The Successor Agency shall be in compliance with all covenants set forth in this Agreement and all Supplemental Agreements, and issuance of the Parity Bonds shall not cause the Successor Agency to exceed the bonded indebtedness limit of the CFD.

(B) Same Payment Dates. The Supplemental Agreement providing for the issuance of such Parity Bonds shall provide that interest thereon shall be payable on the Interest Payment Dates, and principal thereof shall be payable on the same date in any year in which principal is payable on the 2014 Bonds (provided that there shall be no requirement that any Parity Bonds pay interest on a current basis).

(C) Separate Funds; Reserve Fund Deposit. The Supplemental Agreement providing for the issuance of such Parity Bonds may provide for the establishment of separate funds and accounts. The Supplemental Agreement may (i) provide for a deposit to the Reserve Fund so that the amount on deposit therein, following the issuance of such Parity Bonds, is equal to the Reserve Requirement, (ii) provide for the establishment of another reserve fund related to such Parity Bonds in an amount set forth in the Supplemental Agreement or (iii) provide that no debt service reserve fund will be funded or established for such Parity Bonds; provided, however, that if the Supplemental Agreement provides as set forth in the preceding clauses (ii) or (iii), then the Supplemental Agreement shall state that the Parity Bonds shall have no right to moneys on deposit at any time in the Reserve Fund. Such Supplemental Agreement may also provide for deposit of proceeds of such Parity Bonds into any of the fund and accounts established under this Fiscal Agent Agreement, including, but not limited to, the Improvement Fund.

(D) Value. The CFD Value shall be at least three (3) times the sum of: (i) the aggregate principal amount of all Bonds then Outstanding, plus (ii) the aggregate principal amount of the series of Parity Bonds proposed to be issued, plus (iii) the aggregate principal amount of any fixed assessment liens on the parcels in the CFD subject to the levy of Special Taxes, plus (iv) a portion of the aggregate principal amount of any and all other community facilities district bonds then outstanding and payable at least partially from special taxes to be levied on parcels of land within the CFD (the “Other District Bonds”) equal to the aggregate principal amount of the Other District Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for the Other District Bonds on parcels of land within the CFD, and the denominator of which is the total amount of special taxes levied for the Other District Bonds on all parcels of land against which the special taxes are levied to pay the Other District Bonds (such fraction to be determined based upon the maximum special taxes which could be levied in the year in which maximum annual debt service on the Other District Bonds occurs), based upon information from the most recent available Fiscal Year.
(E) **Coverage.** The amount of the Special Taxes levied under the Ordinance, this Fiscal Agent Agreement and any Supplemental Agreement shall be at least (i) 110% of the total Annual Debt Service of the then Outstanding Bonds and the proposed Parity Bonds and (ii) 100% of the total Annual Debt Service of the then Outstanding Bonds and the proposed Parity Bonds and the amount of the levy for Administrative Expenses in the current fiscal year, and the aggregate Special Tax Prepayments that could occur after the issuance of the Parity Bonds shall be not less than the principal amount of the Outstanding Bonds and the proposed Parity Bonds.

(F) **Certificates.** The Successor Agency shall deliver to the Fiscal Agent an Officer’s Certificate certifying that the conditions precedent to the issuance of such Parity Bonds set forth in subsections (A), (B), (C), (D), and (E) of this Section 3.06 have been satisfied.

Notwithstanding the foregoing, the Successor Agency may issue Refunding Bonds as Parity Bonds without the need to satisfy the requirements of clauses (D) or (E) above, and, in connection therewith, the Officer’s Certificate in clause (F) above need not make reference to said clauses (D) and (E).

Nothing in this Section 3.06 shall prohibit the Successor Agency from issuing any other bonds or otherwise incurring debt secured by a pledge of the Special Tax Revenues subordinate to the pledge thereof under Section 3.02 of this Fiscal Agent Agreement.
ARTICLE IV

PROCEEDS, FUNDS AND ACCOUNTS

Section 4.01. Application of 2014 Bond Proceeds and Moneys Relating to the Prior Bonds.

(A) Proceeds of the 2014 Bonds. The Proceeds of the 2014 Bonds received from the Original Purchaser in the amount of $_____________ (representing the par amount of the 2014 Bonds, plus/less an original issue premium/original issue discount of $_____ and less an underwriter's discount of $_____ ) shall be paid to the Fiscal Agent, which shall deposit or transfer the Proceeds on the Closing Date as follows:

(i) deposit $_____________ into the Costs of Issuance Fund;

(ii) deposit $_____________ into the Reserve Fund equaling the initial Reserve Requirement;

(iii) transfer $______ to the Escrow Bank for deposit by the Escrow Bank in the Escrow Fund; and

(iv) deposit $_____ into the Administrative Expense Fund.

The Fiscal Agent may, in its discretion, establish a temporary fund or account to facilitate the foregoing deposits.

(B) Moneys Relating to the Prior Bonds. In addition to the foregoing deposits of 2014 Bond proceeds, the Finance Director shall cause the following amounts held in the following funds for the Prior Bonds to be transferred and deposited as follows:

[to come]

(C) Moneys Held by the Successor Agency Relating to the Prior Bonds. [to come, if any]

Section 4.02. Costs of Issuance Fund.

(A) Establishment of Costs of Issuance Fund. The Costs of Issuance Fund is hereby established as a separate fund to be held by the Fiscal Agent, to the credit of which a deposit shall be made as required by Section 4.01. Moneys in the Costs of Issuance Fund shall be held by the Fiscal Agent for the benefit of the Successor Agency and shall be disbursed as provided in subsection (B) of this Section for the payment or reimbursement of Costs of Issuance.

(B) Disbursement. Amounts in the Costs of Issuance Fund shall be disbursed from time to time to pay Costs of Issuance, as set forth in a requisition substantially in the form of Exhibit B hereto, executed by the Finance Director, containing respective amounts to be paid to the designated payees and delivered
to the Fiscal Agent. Each such requisition shall be sufficient evidence to the Fiscal Agent of the facts stated therein and the Fiscal Agent shall have no duty to confirm the accuracy of such facts.

(C) Investment. Moneys in the Costs of Issuance Fund shall be invested and deposited by the Fiscal Agent under Section 6.01. Interest earnings and profits resulting from such investment shall be retained by the Fiscal Agent in the Costs of Issuance Fund to be used for the purposes of such fund.

(D) Closing of Fund. The Fiscal Agent shall maintain the Costs of Issuance Fund for a period of 90 days from the Closing Date and then the Fiscal Agent shall transfer any moneys remaining therein, including any investment earnings thereon, to the Bond Fund to pay interest on the 2014 Bonds on the next Interest Payment Date.

Section 4.03. Reserve Fund.

(A) Establishment of Fund. The Reserve Fund is hereby established as a separate fund to be held by the Fiscal Agent to the credit of which a deposit shall be made as required by Section 4.01, which deposit, as of the Closing Date, is equal to (or in excess of) the initial Reserve Requirement with respect to the 2014 Bonds, and deposits shall be made as provided in Sections 3.06(C) and 4.05(B). Moneys in the Reserve Fund shall be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds as a reserve for the payment of the principal of, and interest and any premium on, the Bonds and shall be subject to a lien in favor of the Owners of the Bonds. All references to “Bonds” in this Section 4.03 shall refer to the 2014 Bonds and any Parity Bonds the proceeds of which, pursuant to a Supplemental Agreement, were deposited into the Reserve Fund in the amount contemplated by Section 3.06(C).

(B) Use of Reserve Fund. Except as otherwise provided in this Section, all amounts deposited in the Reserve Fund shall be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of, and interest and any premium on, the Bonds or, in accordance with the provisions of this Section, for the purpose of redeeming Bonds from the Bond Fund. Whenever a transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Fiscal Agent shall provide written notice thereof to the Finance Director specifying the amount withdrawn.

(C) Transfer of Excess of Reserve Requirement. Whenever, on or before any Interest Payment Date, or on any other date at the request of the Finance Director, the amount in the Reserve Fund exceeds the Reserve Requirement, the Fiscal Agent shall provide written notice to the Finance Director of the amount of the excess and shall transfer an amount equal to the excess from the Reserve Fund to the Bond Fund, to be used to pay interest on the Bonds on the next Interest Payment Date.

(D) Transfer for Rebate Purposes. Amounts in the Reserve Fund shall be withdrawn for purposes of making payment to the federal government to
comply with Section 5.11, upon receipt by the Fiscal Agent of an Officer’s Certificate specifying the amount to be withdrawn and to the effect that such amount is needed for rebate purposes; provided, however, that no amounts in the Reserve Fund shall be used for rebate unless the amount in the Reserve Fund following such withdrawal equals the Reserve Requirement.

(E) Transfer When Balance Exceeds Outstanding Bonds. Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Fiscal Agent shall, upon the written request of the Finance Director, transfer any cash or Permitted Investments in the Reserve Fund to the Bond Fund to be applied, on the redemption date to the payment and redemption, in accordance with Section 4.04 or 2.03, as applicable, of all of the Outstanding Bonds. In the event that the amount so transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund shall be transferred to the Finance Director to be used by Successor Agency for any lawful purpose.

Notwithstanding the provisions of the first paragraph of this Section 4.03(E), no amounts shall be transferred from the Reserve Fund under this Section 4.03(E) until after: (i) the calculation of any amounts due to the federal government under Section 5.11 and withdrawal of any such amount under Section 4.03(D) for purposes of making such payment to the federal government; and (ii) payment of any fees and expenses due to the Fiscal Agent.

(F) Transfer Upon Special Tax Prepayment. Whenever Special Taxes are prepaid and Bonds are to be redeemed with the proceeds of such prepayment pursuant to Section 2.03(A)(iii), a proportionate amount in the Reserve Fund (determined on the basis of the principal of Bonds to be redeemed and the original principal of the Bonds, but in any event not in excess of the amount that will leave the balance in the Reserve Fund following the proposed redemption equal to the Reserve Requirement) shall be transferred on the Business Day prior to the redemption date by the Fiscal Agent to the Bond Fund to be applied to the redemption of the Bonds pursuant to Section 2.03(A)(iii). The Finance Director shall deliver to the Fiscal Agent an Officer’s Certificate specifying any amount to be so transferred, and the Fiscal Agent may rely on any such Officer’s Certificate.

(G) Investment. Moneys in the Reserve Fund shall be invested under Section 6.01.

Section 4.04. Bond Fund.

(A) Establishment of Bond Fund. The Bond Fund is hereby established as a separate fund to be held by the Fiscal Agent to the credit of which deposits shall be made as required by Section 4.01, Section 4.07 and Section 4.03 and as otherwise set forth in this Agreement. Moneys in the Bond Fund shall be held by the Fiscal Agent for the benefit of the Successor Agency and the Owners of the Bonds, and shall be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below.
There is also hereby created in the Bond Fund a separate account to be held by the Fiscal Agent, designated the “Special Tax Prepayments Account,” to the credit of which deposits shall be made as provided in clause (iii) of the second paragraph of Section 4.05(A).

(B) Disbursements. At least ten (10) Business Days before each Interest Payment Date, the Fiscal Agent shall notify the Finance Director in writing as to the principal and premium, if any, and interest due on the Bonds on the next Interest Payment Date (whether as a result of scheduled principal of and interest on the Bonds, optional redemption of the Bonds or a mandatory sinking fund redemption). On each Interest Payment Date, the Fiscal Agent shall withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, due and payable on such Interest Payment Date on the Bonds.

At least five (5) Business Days prior to each Interest Payment Date, the Fiscal Agent shall determine if the amounts then on deposit in the Bond Fund are sufficient to pay the debt service due on the Bonds on the next Interest Payment Date. In the event that amounts in the Bond Fund are insufficient for such purpose, the Fiscal Agent promptly shall notify the Finance Director by telephone (and confirm in writing) of the amount of the insufficiency.

In the event that amounts in the Bond Fund are insufficient for the purpose set forth in the preceding paragraph with respect to any Interest Payment Date, the Fiscal Agent shall withdraw from the Reserve Fund, in accordance with the provisions of Section 4.03, and from any other reserve fund established pursuant to a Supplemental Agreement, to the extent of any funds or Permitted Investments therein, amounts to cover the amount of such Bond Fund insufficiency. Amounts so withdrawn from the Reserve Fund shall be deposited in the Bond Fund.

If, after the foregoing transfers, there are insufficient funds in the Bond Fund to make the payments provided for in the second sentence of the first paragraph of this Section 4.04(B), the Fiscal Agent shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds other than by reason of sinking payments, if any, and then to payment of principal due on the bonds by reason of sinking payments.

(C) Disbursements from the Special Tax Prepayments Account. Moneys in the Special Tax Prepayments Account shall be transferred by the Fiscal Agent to the Bond Fund on the next date for which notice of redemption of Bonds can timely be given under Section 2.03(A)(iii) and shall be used (together with any amounts transferred pursuant to Section 4.03(F)) to redeem Bonds on the redemption date selected in accordance with Section 2.03.

(D) Investment. Moneys in the Bond Fund and the Special Tax Prepayments Account shall be invested under Section 6.01. Interest earnings and profits resulting from such investment shall be retained in the Bond Fund.
(E) **Deficiency.** If at any time it appears to the Fiscal Agent that there is a danger of deficiency in the Bond Fund and that the Fiscal Agent may be unable to pay Debt Service on the Bonds in a timely manner, the Fiscal Agent shall report to the Finance Director such fact. The Successor Agency covenants to increase the levy of the Special Taxes in the next Fiscal Year (subject to the maximum amount authorized by the Resolution of Formation) in accordance with the procedures set forth in the Act for the purpose of curing Bond Fund deficiencies.

(F) **Excess.** Any excess moneys remaining in the Bond Fund, following the payment of Debt Service on the Bonds on any August 1, shall be transferred to the Special Tax Fund.

Section 4.05. **Special Tax Fund.**

(A) **Establishment of Special Tax Fund.** The Special Tax Fund is hereby established as a separate fund to be held by the Fiscal Agent, to the credit of which the Fiscal Agent shall deposit amounts received from or on behalf of the Successor Agency consisting of Special Tax Revenues and amounts transferred from the Administrative Expense Fund and the Bond Fund. The Successor Agency shall promptly remit any Special Tax Revenues received by it to the Fiscal Agent for deposit by the Fiscal Agent to the Special Tax Fund.

Notwithstanding the foregoing,

(i) any Special Tax Revenues constituting payment of the portion of the Special Tax levy for Administrative Expenses shall be separately identified by the Finance Director and shall be deposited by the Fiscal Agent in the Administrative Expense Fund;

(ii) any Special Tax Revenues constituting the collection of delinquencies in payment of Special Taxes shall be separately identified by the Finance Director and shall be disposed of by the Fiscal Agent first, for transfer to the Bond Fund to pay any past due debt service on the Bonds; second, for transfer to the Reserve Fund to the extent needed to increase the amount then on deposit in the Reserve Fund up to the then Reserve Requirement and to any other debt service reserve fund to increase the amount therein to the applicable requirement; and third, to be held in the Special Tax Fund for use as described in Section 4.05(B) below; and

(iii) any proceeds of Special Tax Prepayments shall be separately identified by the Finance Director and shall be deposited by the Fiscal Agent as follows (as directed in writing by the Finance Director): (a) that portion of any Special Tax Prepayment constituting a prepayment of construction costs (which otherwise could have been included in the proceeds of Parity Bonds) shall be deposited by the Fiscal Agent to the Improvement Fund and (b) the remaining Special Tax Prepayment shall be deposited by the Fiscal Agent in the Special Tax Prepayments Account established pursuant to Section 4.04(A).

(B) **Disbursements.** On the fifth Business Day prior to each Interest Payment Date, the Fiscal Agent shall withdraw from the Special Tax Fund and
transfer the following amounts in the following order of priority (i) to the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund and any expected transfers from the Reserve Fund, any other debt service reserve fund established pursuant to a Supplemental Agreement and the Special Tax Prepayments Account to the Bond Fund such that the amount in the Bond Fund equals the principal (including any sinking payment), premium, if any, and interest due on the Bonds on such Interest Payment Date and any past due principal or interest on the Bonds not theretofore paid from a transfer described in subparagraph (ii) of the second paragraph of Section 4.05(A), and (ii) to the Reserve Fund an amount, taking into account amounts then on deposit in the Reserve Fund, such that the amount in the Reserve Fund is equal to the Reserve Requirement, and to any other debt service fund established pursuant to a Supplemental Agreement to increase the amount therein to the applicable requirement.

(C) **Investment.** Moneys in the Special Tax Fund shall be invested and deposited by the Fiscal Agent under Section 6.01. Interest earnings and profits resulting from such investment and deposit shall be retained in the Special Tax Fund to be used for the purposes thereof.

**Section 4.06. Administrative Expense Fund.**

(A) **Establishment of Administrative Expense Fund.** The Administrative Expense Fund is hereby established as a separate fund to be held by the Fiscal Agent, to the credit of which deposits shall be made as required by Section 4.05(A). Moneys in the Administrative Expense Fund shall be held by the Fiscal Agent for the benefit of the Successor Agency, and shall be disbursed as provided below.

(B) **Disbursement.** Amounts in the Administrative Expense Fund shall be withdrawn by the Fiscal Agent and paid to the Successor Agency or its order upon receipt by the Fiscal Agent of an Officer’s Certificate, in substantially the form of Exhibit C hereto, stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense or a Cost of Issuance and the nature of such Administrative Expense or such Cost of Issuance. Amounts deposited to the Administrative Expense Fund pursuant to Section 4.01(v) shall be separately identified at all times, and shall be expended for purposes of the Administrative Expense Fund prior to the use of amounts transferred to the Administrative Expense Fund from the Special Tax Fund pursuant to Section 4.05(A).

Annually, on the last day of each Fiscal Year, the Fiscal Agent shall withdraw from the Administrative Expense Fund and transfer to the Special Tax Fund any amount in excess of that which is needed to pay any Administrative Expenses incurred but not yet paid, and which are not otherwise encumbered, as identified by the Finance Director in an Officer’s Certificate.

(C) **Investment.** Moneys in the Administrative Expense Fund shall be invested by the Fiscal Agent under Section 6.01. Interest earnings and profits resulting from such investment shall be retained by the Fiscal Agent in the Administrative Expense Fund to be used for the purposes of such fund.
Section 4.07. Improvement Fund.

(A) Establishment of Improvement Fund. The Improvement Fund is hereby established as a separate fund to be held by the Fiscal Agent, to the credit of which moneys may be deposited pursuant to the terms of a Supplemental Agreement or as a result of the prepayment of Special Taxes. Moneys in the Improvement Fund shall be held by the Fiscal Agent for the benefit of the Successor Agency, and shall be disbursed as provided below.

(B) Disbursements. Amounts in the Improvement Fund shall be withdrawn by the Fiscal Agent and paid to the Successor Agency or its order upon receipt by the Fiscal Agent of Officer’s Certificate, in substantially the form of Exhibit D hereto, stating the amount to be withdrawn, the purpose for which the disbursement is to be made (which shall be for a purpose described in the next sentence), that the withdrawal is for a proper expenditure from the Improvement Fund, and the person to which the withdrawal is to be paid, and certifying that no portion of the amount then being requested to be withdrawn was paid pursuant to any Certificate to the Successor Agency previously filed requesting a withdrawal. Amounts held in the Improvement Fund shall be used to pay the costs of the Project pursuant to the terms of the Acquisition Agreement, or if no Acquisition Agreement is then in effect, as permitted by the Act.

(C) Investment. Moneys in the Improvement Fund shall be invested by the Fiscal Agent under Section 6.01. Interest earnings and profits resulting from such investment shall be retained by the Fiscal Agent in the Improvement Fund to be used for the purposes of such fund.

(D) Closing of Fund. Upon the filing of a Certificate of the Successor Agency stating that the Project has been completed and that all costs of the Project have been paid, or that any such costs are not required to be paid from the Improvement Fund, the Fiscal Agent shall transfer the amount, if any, remaining in the Improvement Fund to the Bond Fund for payment of past due debt service on the Bonds, if any.

In addition to the foregoing, if (i) the Finance Director determines that work necessary to construct and complete the Project has ceased for a continuous period of over twelve months such that the construction of the Project effectively has been abandoned, or that for any reason (including, but not limited to, termination of, or the occurrence of any event that would permit termination of, any Acquisition Agreement then in effect) all or any portion of the amounts then on deposit in the Improvement Fund will not be expended for Project costs, or (ii) the Finance Director receives a written certificate of an Independent Financial Consultant to the effect that the Project has been abandoned or all or any portion of the amounts then on deposit in the Improvement Fund will not be expended for Project costs, the Finance Director shall file a Certificate of the Successor Agency with the Fiscal Agent to that effect and which identifies the amounts then on deposit in the Improvement Fund that are not expected to be used for Project costs or costs of the Successor Agency due to such abandonment or other reason. The Fiscal Agent, upon receipt of such certificate,
shall transfer the amounts identified therein from the Improvement Fund to the Bond Fund to be used to pay debt service on the Bonds.

When all amounts in the Improvement Fund have been disbursed pursuant to either Section 4.07(B) or (D) above, the Improvement Fund shall be closed.
ARTICLE V

COVENANTS

Section 5.01. Collection of Special Tax Revenues. The Successor Agency shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

(A) Processing. On or within five (5) Business Days of each June 1, the Fiscal Agent shall provide the Finance Director with a notice stating the amount then on deposit in the Bond Fund and the Reserve Fund, and informing the Successor Agency that the Special Taxes need to be levied under the Ordinance as necessary to provide for Annual Debt Service and Administrative Expenses and replenishment (if necessary) of the Reserve Fund so that the balance therein equal the Reserve Requirement. The receipt of or failure to receive such notice by the Finance Director shall in no way affect the obligations of the Finance Director under the following two paragraphs and the Fiscal Agent shall not be liable for failure to provide such notices to the Finance Director. Upon receipt of such notice, the Finance Director shall communicate with the Auditor to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits or combinations during the preceding and current year.

(B) Levy. The Finance Director shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance by each August 1 that the Bonds are outstanding, or otherwise such that the computation of the levy is complete before the final date on which Auditor will accept the transmission of the Special Tax amounts for the parcels within the CFD for inclusion on the next real property tax roll. Upon the completion of the computation of the amounts of the levy, the Finance Director shall prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next real property tax roll.

(C) Computation. The Finance Director shall fix and levy the amount of Special Taxes within the CFD required for the payment of principal of and interest on any outstanding Bonds of the CFD becoming due and payable during the ensuing calendar year, including any necessary replenishment or expenditure of the Reserve Fund for the Bonds and an amount estimated to be sufficient to pay the Administrative Expenses, including amounts necessary to discharge any rebate obligation, during such year, taking into account the balances in the applicable funds established under this Agreement and in the Special Tax Fund. The Special Taxes so levied shall not exceed the authorized amounts as provided in the proceedings under the Resolution of Formation.

(D) Collection. Except as set forth in the Ordinance, Special Taxes shall be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same
proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the ad valorem taxes on real property.

Section 5.02. Covenant to Foreclose. Under the Act, the Successor Agency hereby covenants with and for the benefit of the Owners of the Bonds that it will order, and cause to be commenced as hereinafter provided, and thereafter diligently prosecute to judgment (unless such delinquency is theretofore brought current), an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due as provided in the following two paragraphs. The Finance Director shall notify the City Attorney of any such delinquency of which the Finance Director is aware, and the City Attorney shall commence, or cause to be commenced, such proceedings.

On or about March 30 and June 30 of each Fiscal Year, the Finance Director shall compare the amount of Special Taxes theretofore levied in the CFD to the amount of Special Tax Revenues theretofore received by the Successor Agency, and:

(A) Individual Delinquencies. If the Finance Director determines that any single parcel subject to the Special Tax in the CFD is delinquent in the payment of Special Taxes in the aggregate amount of $3,000 or more, then the Finance Director shall send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 45 days of such determination, and (if the delinquency remains uncured) foreclosure proceedings shall be commenced by the Successor Agency within 90 days of such determination. Notwithstanding the foregoing, in its sole discretion, the Finance Director may defer such action if the amount in the Reserve Fund is at least equal to the Reserve Requirement.

(B) Aggregate Delinquencies. If the Finance Director determines that (i) the total amount of delinquent Special Tax for the prior Fiscal Year for the entire CFD, (including the total of delinquencies under subsection (A) above), exceeds 5% of the total Special Tax due and payable for the prior Fiscal Year, or (ii) there are ten (10) or fewer owners of real property within the CFD, determined by reference to the latest available secured property tax roll of the City and County, the Finance Director shall notify or cause to be notified property owners who are then delinquent in the payment of Special Taxes (and demand immediate payment of the delinquency) within 45 days of such determination, and shall commence foreclosure proceedings within 90 days of such determination against each parcel of land in the CFD with a Special Tax delinquency.

Notwithstanding the foregoing clause (A), the Finance Director may defer any such actions with respect to a delinquent parcel if (1) the CFD is then participating in the Alternative Method of Distribution of Tax Levies and Collections described in Revenue & Taxation Code Section 4701 et seq., or an equivalent procedure, (2) the amount in the Reserve Fund is at least equal to the Reserve Requirement and the amount in any other debt service reserve account established under a Supplemental Agreement is at least equal to its applicable requirement, and (3) the subject parcel is not delinquent with respect to more than $5,000 of Special Taxes.

The Finance Director and the City Attorney, as applicable, are hereby authorized to employ counsel to conduct any such foreclosure proceedings. The fees and expenses of any
such counsel (including a charge for Successor Agency staff time) in conducting foreclosure proceedings shall be an Administrative Expense hereunder.

Section 5.03. Punctual Payment. The Successor Agency will punctually pay or cause to be paid the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of this Fiscal Agent Agreement and any Supplemental Agreement, and it will faithfully observe and perform all of the conditions covenants and requirements of this Fiscal Agent Agreement and all Supplemental Agreements and of the Bonds.

Section 5.04. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the Successor Agency shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the Successor Agency, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Agreement, 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 5.05. Against Encumbrances. The Successor Agency will not encumber, pledge or place any charge or lien upon any of the Special Tax Revenues or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, or their Owners, except as permitted by this Agreement.

Section 5.06. Books and Records.

(A) Successor Agency. The Successor Agency will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Successor Agency, in which complete and correct entries shall be made of all transactions relating to the Special Tax Revenues. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Fiscal Agent and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

(B) Fiscal Agent. The Fiscal Agent will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Fiscal Agent, in which complete and correct entries shall be made of all transactions made by it relating to the expenditure of amounts disbursed from the funds, and, if any, accounts in such funds held by the Fiscal Agent hereunder. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Successor Agency, the City and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing upon reasonable prior notice.

Section 5.07. Protection of Security and Rights of Owners. The Successor Agency will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the
delivery of any of the Bonds by the Successor Agency, the Bonds shall be incontestable by the Successor Agency.

**Section 5.08. Further Assurances.** The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Fiscal Agent Agreement, and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Fiscal Agent Agreement.

**Section 5.09. Private Activity Bond Limitations.** The Successor Agency shall assure that the proceeds of the 2014 Bonds are not so used as to cause the 2014 Bonds to satisfy the private business tests of section 141(b) of the Tax Code or the private loan financing test of section 141(c) of the Code.

**Section 5.10. Federal Guarantee Prohibition.** The Successor Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the 2014 Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

**Section 5.11. Rebate Requirement.** The Successor Agency shall take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the 2014 Bonds. The Finance Director shall take note of any investment of monies hereunder in excess of the yield on the 2014 Bonds, and shall take such actions as are necessary to ensure compliance with this Section 5.11, such as increasing the portion of the Special Tax levy for Administration Expenses as appropriate to have funds available in the Administrative Expense Fund to satisfy any rebate liability under this Section. If necessary to satisfy its obligations under this Section 5.11, the Successor Agency may use:

(A) Earnings on the Reserve Fund if the amount on deposit in the Reserve Fund, following the proposed transfer, is equal to the Reserve Requirement;

(B) Amounts on deposit in the Administrative Expense Fund; and

(C) Any other funds available to the CFD, including amounts advanced by the Successor Agency, in its sole discretion, to be repaid by the CFD as soon as practicable from amounts described in the preceding clauses (A) and (B).

**Section 5.12. No Arbitrage.** The Successor Agency shall not take, or permit or suffer to be taken by the Fiscal Agent or otherwise, any action with respect to the proceeds of the 2014 Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the 2014 Bonds would have caused the 2014 Bonds to be “arbitrage bonds” within the meaning of section 148 of the Tax Code.

**Section 5.13. Yield of the 2014 Bonds.** In determining the yield of the 2014 Bonds to comply with Sections 5.11 and 5.12, the Successor Agency will take into account redemption (including premium, if any) in advance of maturity based on the reasonable expectations of the Successor Agency, as of the Closing Date, regarding prepayments of Special Taxes and use of
prepayments for redemption of the 2014 Bonds, without regard to whether or not prepayments are received or 2014 Bonds redeemed.

Section 5.14. Maintenance of Tax-Exemption. The Successor Agency shall take all actions necessary to assure the exclusion of interest on the 2014 Bonds from the gross income of the Owners of the 2014 Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the date of issuance of the 2014 Bonds.

Section 5.15. Continuing Disclosure. The Successor Agency 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 Fiscal Agent Agreement, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be considered an event of default for the purposes of this Fiscal Agent Agreement. However, any Owner or Beneficial Owner of the 2014 Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

One or more owners of the real property in the CFD as of the Closing Date may also have executed a continuing disclosure agreement for the benefit of the holders and Beneficial Owners of the 2014 Bonds. Any Participating Underwriter or Holder or Beneficial Owner may take such actions as may be necessary and appropriate directly against any such landowner to compel performance by it of its obligations thereunder, including seeking mandate or specific performance by court order; however the Successor Agency shall have no obligation whatsoever to enforce any obligations under any such agreement.

Section 5.16. Limits on Special Tax Waivers and Bond Tenders. The Successor Agency covenants not to exercise its rights under the Act to waive delinquency and redemption penalties related to the Special Taxes or to declare Special Tax penalties amnesty program if to do so would materially and adversely affect the interests of the Owners of the Bonds and further covenants not to permit the tender of Bonds in payment of any Special Taxes except upon receipt of a certificate of an Independent Financial Consultant that to accept such tender will not result in the Successor Agency having insufficient Special Tax Revenues to pay the principal of and interest on the Bonds and any Parity Bonds remaining Outstanding following such tender.

Section 5.17. Successor Agency Bid at Foreclosure Sale. The Successor Agency will not bid at a foreclosure sale of property in respect of delinquent Special Taxes, unless it expressly agrees to take the property subject to the lien for Special Taxes imposed by the CFD and that the Special Taxes levied on the property are payable while the Successor Agency owns the property.

Section 5.18. Limitation on Principal Amount of Parity Bonds. Following issuance of the 2014 Bonds, the Successor Agency will not issue more than $30,500,000 initial principal amount of Parity Bonds (exclusive of any Refunding Bonds).

Section 5.19. Amendment of Rate and Method. The Successor Agency shall not initiate proceedings under the Act to modify the Rate and Method if such modification would adversely affect the security for the Bonds. If an initiative is adopted that purports to modify the Rate and Method in a manner that would adversely affect the security for the Bonds, the Successor Agency shall, to the extent permitted by law, commence and pursue reasonable
legal actions to prevent the modification of the Rate and Method in a manner that would adversely affect the security for the Bonds.

Section 5.20. Compliance with Dissolution Act. The Successor Agency covenants and agrees to take all actions within its power and as otherwise may be required under the Dissolution Act to cause the Special Taxes to be used to timely pay the scheduled debt service on the Bonds.

Section 5.21. Tax Increment Revenues. The Successor Agency covenants and agrees not to use any property tax revenues deposited into the Redevelopment Property Tax Trust Fund established pursuant to the Dissolution Act for the payment of the principal of, and interest and any premium on, the Bonds.
ARTICLE VI

INVESTMENTS; LIABILITY OF THE SUCCESSOR AGENCY

Section 6.01. Deposit and Investment of Moneys in Funds.

(A) General. Moneys in any fund or account created or established by this Agreement and held by the Fiscal Agent shall be invested by the Fiscal Agent in Permitted Investments, which in any event by their terms mature prior to the date on which such moneys are required to be paid out hereunder, as directed pursuant to an Officer’s Certificate filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. In the absence of any such Officer’s Certificate, the Fiscal Agent shall invest any such moneys in Permitted Investments described in Section (h) of the definition thereof which by their terms mature prior to the date on which such moneys are required to be paid out hereunder to the extent reasonably practicable, and if such investments can not be made shall hold such funds uninvested. The Finance Director shall make note of any investment of funds hereunder in excess of the yield on the Bonds so that appropriate actions can be taken to assure compliance with Section 5.11.

(B) Moneys in Funds. Moneys in any fund or account created or established by this Agreement and held by the Finance Director shall be invested by the Finance Director in any Permitted Investment or in any other lawful investment for Successor Agency or City funds, which in any event by its terms matures prior to the date on which such moneys are required to be paid out hereunder. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of this Agreement for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts. Whenever in this Agreement any moneys are required to be transferred by the Successor Agency to the Fiscal Agent, such transfer may be accomplished by transferring a like amount of Permitted Investments.

(C) Actions of Officials. The Fiscal Agent and its affiliates or the Finance Director may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. Neither the Fiscal Agent nor the Finance Director shall incur any liability for losses arising from any investments made pursuant to this Section. The Fiscal Agent shall not be required to determine the legality of any investments.

(D) Valuation of Investments. Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to this Agreement, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Tax Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Agreement or the Tax Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under the applicable provisions of the Tax Code and (unless valuation is undertaken at least annually) investments in the subaccounts within the Reserve Fund shall be valued at their present value (within the meaning of section 148 of the Tax Code). The Fiscal Agent shall not be liable for verification of the application of such sections of the Tax Code or for any determination of Fair Market Value or present value and may conclusively rely upon an Officer’s Certificate as to such valuations.
(E) **Commingled Money.** Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent or the Finance Director hereunder, provided that the Fiscal Agent or the Finance Director, as applicable, shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Agreement.

(F) **Confirmations Waiver.** The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Fiscal Agent will furnish the Successor Agency periodic cash transaction statements which include detail for all investment transactions made by the Fiscal Agent hereunder.

(G) **Sale of Investments.** The Fiscal Agent or the Finance Director, as applicable, shall sell at Fair Market Value, or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and neither the Fiscal Agent nor the Finance Director shall be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

Section 6.02. Liability of Successor Agency.

(A) **General.** The Successor Agency shall not incur any responsibility in respect of the Bonds or this Agreement other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The Successor Agency shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The Successor Agency shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements of the Fiscal Agent herein or of any of the documents executed by the Fiscal Agent in connection with the Bonds, or as to the existence of a default or event of default thereunder.

(B) **Reliance.** In the absence of bad faith, the Successor Agency, including the Finance Director, may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Successor Agency by the Fiscal Agent or an Independent Financial Consultant and conforming to the requirements of this Agreement. The Successor Agency, including the Finance Director, shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts. The Successor Agency may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Successor Agency may consult with counsel, who may be the City Attorney, 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 it hereunder in good faith and in accordance therewith.

(C) **No General Liability.** No provision of this Agreement shall require the Successor Agency to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Special Tax Revenues) in the performance of any of its obligations.
hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(D) **Owner of Bonds.** The Successor Agency 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 satisfactorily established, if disputed.

**Section 6.03. Employment of Agents by Successor Agency.** In order to perform its duties and obligations hereunder, the Successor Agency may employ such persons or entities as it deems necessary or advisable. The Successor Agency shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.
ARTICLE VII
THE FISCAL AGENT

Section 7.01. The Fiscal Agent.

(A) Appointment. The Fiscal Agent is hereby appointed as the fiscal, authentication, paying and transfer agent hereunder for the Bonds. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement, and no implied duties, covenants or obligations shall be read into this Agreement against the Fiscal Agent.

(B) Merger. Any company into which the Fiscal Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under the following paragraph of this Section 7.01 shall be the successor to such Fiscal Agent without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. The Fiscal Agent shall give the Finance Director written notice of any such succession hereunder.

(C) Removal. Upon 30 days written notice, the Successor Agency may remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least fifty million dollars ($50,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company 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 purposes of this Section 7.01, combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(D) Resignation. The Fiscal Agent may at any time resign by giving written notice to the Successor Agency by certified mail return receipt requested, and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the Successor Agency shall promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent shall become effective upon acceptance of appointment by the successor Fiscal Agent.

(E) No Successor. If no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions of this Section 7.01 within forty-five (45) days after the Fiscal Agent shall have given to the Successor Agency written notice or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent, at the expense of the Successor Agency, or any Owner may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent.

(F) Court Order. If, by reason of the judgment of any court, the Fiscal Agent is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Fiscal Agent hereunder shall be assumed by and vest in the Finance Director of the
Successor Agency in trust for the benefit of the Owners. The Successor Agency covenants for the direct benefit of the Owners that its Finance Director in such case shall be vested with all of the rights and powers of the Fiscal Agent hereunder, and shall assume all of the responsibilities and perform all of the duties of the Fiscal Agent hereunder, in trust for the benefit of the Owners of the Bonds.

Section 7.02. Liability of Fiscal Agent.

(A) General. The recitals of facts, covenants and agreements herein and in the Bonds contained shall be taken as statements, covenants and agreements of the Successor Agency, and the Fiscal Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Agreement or of the Bonds, nor shall the Fiscal Agent incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds. All indemnifications and releases from liability granted to the Fiscal Agent hereunder shall extend to the directors, officers and employees of the Fiscal Agent.

The Fiscal Agent shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Fiscal Agent.

(B) Reliance. The Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates, documents, written instructions or opinions furnished to the Fiscal Agent and conforming to the requirements of this Agreement; but in the case of any such certificates, documents, written instructions or opinions by which any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement. Except as provided above in this paragraph, the Fiscal Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in accordance with the terms of this Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, facsimile transmission, electronic mail, or other paper or document which it shall reasonably believe to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of this Agreement, and the Fiscal Agent shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.
(C) **No Duty to Inquire.** The Fiscal Agent shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements of the Successor Agency or the CFD herein or of any of the documents executed by the Successor Agency or the CFD in connection with the Bonds, or as to the existence of a default or event of default thereunder.

(D) **Errors in Judgment.** The Fiscal Agent shall not be liable for any error of judgment made in good faith by a responsible officer of the Fiscal Agent unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

(E) **No Expenditures.** No provision of this Agreement shall require the Fiscal Agent 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.

(F) **No Action.** The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of any of the Owners under this Agreement unless such Owners shall have offered to the Fiscal Agent reasonable security or indemnity satisfactory to the Fiscal Agent against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(G) **Owner of Bonds.** The Fiscal Agent may become the owner of the Bonds with the same rights it would have if it were not the Fiscal Agent.

**Section 7.03. Information; Books and Accounts.** The Fiscal Agent shall provide to the Successor Agency such information relating to the Bonds and the funds and accounts maintained by the Fiscal Agent hereunder as the Successor Agency shall reasonably request, including but not limited to monthly statements reporting funds held and transactions by the Fiscal Agent, including the value of any investments held by the Fiscal Agent. The Fiscal Agent will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Fiscal Agent, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Bond Fund, the Special Tax Fund, the Reserve Fund and the Cost of Issuance Fund. Such books of record and accounts shall, upon reasonable notice, during business hours be subject to the inspection of the Successor Agency and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

**Section 7.04. Notice to Fiscal Agent.** The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, facsimile transmission, electronic mail, written instructions, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Fiscal Agent may consult with counsel, who may be counsel to the Successor Agency, 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, suffered or omitted by it hereunder in accordance therewith.

The Fiscal Agent 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 its title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the Fiscal Agent 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, in the absence of willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by an Officer’s Certificate of the Successor Agency, and such certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of this Fiscal Agent Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 7.05. Compensation, Indemnification. The Successor Agency shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under this Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys (including the allocated costs of in-house attorneys), agents and employees, incurred in and about the performance of their powers and duties under this Agreement, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under this Agreement. The Successor Agency further agrees, to the extent permitted by applicable law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless against any liabilities, costs, claims or expenses, including fees and expenses of its attorneys, which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or willful misconduct. The obligations of the Successor Agency under this Section shall survive resignation or removal of the Fiscal Agent under this Agreement, and payment of the Bonds and discharge of this Agreement, but any monetary obligation of the Successor Agency arising under this Section shall be limited solely to amounts on deposit in the Administrative Expense Fund.
ARTICLE VIII

MODIFICATION OR AMENDMENT

Section 8.01. Amendments Permitted.

(A) With Consent. This Agreement and the rights and obligations of the Successor Agency and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of Owners, or with the written consent without a meeting, of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 8.04. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the Successor Agency to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the Successor Agency of any pledge or lien upon the Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or this Agreement), or reduce the percentage of Bonds required for the amendment hereof.

(B) Without Consent. This Agreement and the rights and obligations of the Successor Agency and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Successor Agency herein, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the Successor Agency;

(ii) to make modifications not adversely affecting any Outstanding Bonds in any material respect including, but not limited to, amending the Rate and Method, so long as the amendment does not result in coverage less than that set forth in Section 3.06(E);

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Agreement, or in regard to questions arising under this Agreement, as the Successor Agency and the Fiscal Agent may deem necessary or desirable and not inconsistent with this Agreement, and which shall not adversely affect the rights of the Owners of the Bonds;

(iv) to make such additions, deletions or modifications as may be necessary or desirable to assure exclusion from gross income for federal income tax purposes of interest on the Bonds;

(v) in connection with the issuance of any Parity Bonds under and pursuant to Section 3.06.

(C) Fiscal Agent’s Consent. Any amendment of this Agreement may not modify any of the rights or obligations of the Fiscal Agent without its written consent. The Fiscal Agent shall
be furnished an opinion of counsel that any such Supplemental Agreement entered into by the Successor Agency and the Fiscal Agent complies with the provisions of this Section 8.01 and the Fiscal Agent may conclusively rely on such opinion and shall be absolutely protected in so relying.

**Section 8.02. Owners' Meetings.** The Successor Agency may at any time call a meeting of the Owners. In such event the Successor Agency is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof and to fix and adopt rules and regulations for the conduct of said meeting.

**Section 8.03. Procedure for Amendment with Written Consent of Owners.** The Successor Agency and the Fiscal Agent may at any time adopt a Supplemental Agreement amending the provisions of the Bonds or of this Fiscal Agent Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by Section 8.01(A), to take effect when and as provided in this Section 8.03. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, shall be mailed by first class mail, by the Fiscal Agent, at the expense of the Successor Agency, to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when consented to as in this Section 8.03 provided.

Such Supplemental Agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consents of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 8.04) and a notice shall have been mailed as hereinafter in this Section 8.03 provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 9.04. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the notice hereinafter in this Section 8.03 provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the Successor Agency shall mail a notice to the Owners in the manner hereinbefore provided in this Section 8.03 for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section 8.03 (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required by this Section 8.03 to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the Successor Agency and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

**Section 8.04. Disqualified Bonds.** Bonds owned or held for the account of the Successor Agency, excepting any pension or retirement fund, shall not be deemed Outstanding
for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in this Article VIII, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Article VIII. Upon request of the Fiscal Agent, the Successor Agency shall specify in a certificate to the Fiscal Agent those Bonds disqualified pursuant to this Section and the Fiscal Agent may conclusively rely on such certificate.

Section 8.05. Effect of Supplemental Agreement. From and after the time any Supplemental Agreement becomes effective under this Article VIII, this Fiscal Agent Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under this Fiscal Agent Agreement of the Successor Agency, the Fiscal Agent and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of this Fiscal Agent Agreement for any and all purposes.

Section 8.06. Endorsement or Replacement of Bonds Issued After Amendments. The Successor Agency may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article VIII shall bear a notation, by endorsement or otherwise, in form approved by the Successor Agency, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and upon presentation of his Bond for that purpose at the Principal Office of the Fiscal Agent or at such other office as the Successor Agency may select and designate for that purpose, a suitable notation shall be made on such Bond. The Successor Agency may determine that new Bonds, so modified as in the opinion of the Successor Agency is necessary to conform to such Owners’ action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the Principal Office of the Fiscal Agent without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 8.07. Amendatory Endorsement of Bonds. The provisions of this Article VIII shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.
ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits of Agreement Limited to Parties. Nothing in this Agreement, expressed or implied, is intended to give to any person other than the Successor Agency, the Fiscal Agent and the Owners, any right, remedy, claim under or by reason of this Agreement. Any covenants, stipulations, promises or agreements in this Agreement contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Owners and the Fiscal Agent.

Section 9.02. Successor and Predecessor. Whenever in this Fiscal Agent Agreement or any Supplemental Agreement either the Successor Agency or the Fiscal Agent 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 Agreement contained by or on behalf of the Successor Agency or the Fiscal Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.03. Discharge of Agreement. If the Successor Agency shall pay and discharge the entire indebtedness on all Bonds Outstanding in any one or more of the following ways:

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

(B) by depositing with the Fiscal Agent, in trust, at or before maturity, money which, together with the amounts then on deposit in the funds and accounts provided for in the Bond Fund and the Reserve Fund hereof, is fully sufficient to pay all Bonds Outstanding, including all principal, interest and redemption premiums; or

(C) by irrevocably depositing with the Fiscal Agent, in trust, cash and/or Federal Securities in such amount as the Successor Agency shall determine, as confirmed by an independent certified public accountant, will, together with the interest to accrue thereon and moneys then on deposit in the fund and accounts provided for in the Bond Fund and the Reserve Fund (to the extent invested in Federal Securities), be fully sufficient to pay and discharge the indebtedness on all Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

If the Successor Agency shall have taken any of the actions specified in (A), (B) or (C) above, and if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in this Agreement provided or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice, then, at the election of the Successor Agency, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Special Taxes and other funds provided for in this Agreement and all other obligations of the Successor Agency under this Agreement with respect to such Bonds
Outstanding shall cease and terminate. Notice of such election shall be filed with the Fiscal Agent.

Notwithstanding the foregoing, the following obligations and pledges of the Successor Agency shall continue in any event: (i) the obligation of the Successor Agency to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon, (ii) the obligation of the Successor Agency to pay amounts owing to the Fiscal Agent pursuant to Section 7.05, and (iii) the obligation of the Successor Agency to assure that no action is taken or failed to be taken if such action or failure adversely affects the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Upon compliance by the Successor Agency with the foregoing with respect to all Bonds Outstanding, any funds held by the Fiscal Agent after payment of all fees and expenses of the Fiscal Agent, which are not required for the purposes of the preceding paragraph, shall be paid over to the Successor Agency and any Special Taxes thereafter received by the Successor Agency shall not be remitted to the Fiscal Agent but shall be retained by the Successor Agency to be used for any purpose permitted under the Act and the Resolution of Formation.

Section 9.04. Execution of Documents and Proof of Ownership by Owners. Any request, declaration, consent or other instrument which this Agreement may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their 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, consent or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registration books maintained by the Fiscal Agent under Section 2.07.

Any request, declaration, consent or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Successor Agency or the Fiscal Agent in good faith and in accordance therewith.

Section 9.05. Waiver of Personal Liability. No member, officer, agent or employee of the Successor Agency shall be individually or personally liable for the payment of the principal of 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 9.06. Notices to and Demands on Successor Agency and Fiscal Agent. Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the Fiscal Agent to or on the Successor Agency may be given or served by facsimile transmission receipt of which has been confirmed or by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the Successor Agency with the Fiscal Agent) as follows:
Successor Agency to the  
Redevelopment Agency of the City and County of San Francisco  
1 South Van Ness Avenue, 5th Floor  
San Francisco, California 94103  
Fax: (415) __________  
Attention: Deputy Executive Director,  
Finance and Administration

Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the Successor Agency to or on the Fiscal Agent may be given or served by facsimile transmission receipt of which has been confirmed or by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the Fiscal Agent with the Successor Agency) as follows:

The Bank of New York Mellon Trust Company, N.A.  
Corporate Trust Department  
[to come]  
Fax: [to come]

Section 9.07. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Agreement shall for any reason be held by a court of competent jurisdiction to be illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Agreement. The Successor Agency hereby declares that it would have adopted this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Agreement may be held illegal, invalid or unenforceable.

Section 9.08. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any moneys held by the Fiscal Agent in trust for the payment and discharge of the principal of, and the interest and any premium on, the Bonds which remains unclaimed for two (2) years after the date when the payment of such principal, interest and premium have become payable, if such moneys were held by the Fiscal Agent at such date, shall be repaid by the Fiscal Agent to the Successor Agency as its absolute property free from any trust, and the Fiscal Agent shall thereupon be released and discharged with respect thereto and the Owners of such Bonds shall look only to the Successor Agency for the payment of the principal of, and interest and any premium on, such Bonds. Any right of any Owner to look to the Successor Agency for such payment shall survive only so long as required under applicable law.

Section 9.09. Applicable Law. This Fiscal Agent Agreement shall be governed by and enforced in accordance with the laws of the State applicable to contracts made and performed in the State.

Section 9.10. Conflict with Act. In the event of a conflict between any provision of this Fiscal Agent Agreement with any provision of the Act, the Dissolution Act or the Refunding Law as in effect on the Closing Date, the provision of the Act, the Dissolution Act or the Refunding Law shall prevail over the conflicting provision of this Fiscal Agent Agreement.

Section 9.11. Conclusive Evidence of Regularity. Bonds issued under this Agreement shall constitute conclusive evidence of the regularity of all proceedings under the
Act, the Dissolution Act and the Refunding Law relative to their issuance and the levy of the Special Taxes.

**Section 9.12. Payment on Business Day.** In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds, or the date fixed for redemption of any Bonds, or the date any action is to be taken under this Agreement, is other than a Business Day, the payment of interest or principal (and premium, if any) or the action shall be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

**Section 9.13. State Reporting Requirements.** In addition to Section 5.15, the following requirements shall apply to the Bonds:

(A) **Annual Reporting.** Not later than October 30 of each calendar year, beginning with the October 30 first succeeding the date of the 2014 Bonds, and in each calendar year thereafter until the October 30 following the final maturity of the Bonds, the Treasurer shall cause the following information to be supplied to CDIAC: (i) the principal amount of the Bonds Outstanding; (ii) the balance in the Reserve Fund; (iii) the number of parcels in the CFD which are delinquent in the payment of Special Taxes, the amount of each delinquency, the length of time delinquent and when foreclosure was commenced for each delinquent parcel; (iv) the balance in the Refunding Fund; (v) the balance in the Improvement Fund; and (vi) the assessed value of all parcels in the CFD subject to the levy of the Special Taxes as shown in most recent equalized roll. The annual reporting shall be made using such form or forms as may be prescribed by CDIAC.

(B) **Other Reporting.** If at any time the Fiscal Agent fails to pay principal and interest due on any scheduled payment date for the Bonds, or if funds are withdrawn from the Reserve Fund to pay principal and interest on the Bonds, the Fiscal Agent shall notify the Treasurer of such failure or withdrawal in writing. The Treasurer shall notify CDIAC and the Original Purchasers of such failure or withdrawal within 10 days of such failure or withdrawal.

(C) **Special Tax Reporting.** The Finance Director shall file a report with the Successor Agency no later than January 1, 2014, and at least once a year thereafter, which annual report shall contain: (i) the amount of Special Taxes collected and expended with respect to the CFD, (ii) the amount of Bond proceeds collected and expended with respect to the CFD, and (iii) the status of the Project. It is acknowledged that the Special Tax Fund and the Special Tax Prepayments Account are the accounts into which Special Taxes collected on the CFD will be deposited for purposes of Section 50075.1(c) of the California Government Code, and the funds and accounts listed in Section 4.01 are the funds and accounts into which Bond proceeds will be deposited for purposes of Section 53410(c) of the California Government Code, and the annual report described in the preceding sentence is intended to satisfy the requirements of Sections 50075.1(d), 50075.3(d) and 53411 of the California Government Code.

(D) **Amendment.** The reporting requirements of this Section 9.13 shall be amended from time to time, without action by the Successor Agency or the Fiscal Agent (i) with respect to subparagraphs (A) and (B) above, to reflect any amendments to Section 53359.5(b) or Section 53359.5(c) of the Act, and (ii) with respect to subparagraph (C) above, to reflect any amendments to Section 50075.1, 50075.3, 53410 or 53411 of the California Government Code. Notwithstanding the foregoing, any such amendment shall not, in itself, affect the Successor Agency’s obligations under the Continuing Disclosure Certificate. The Successor Agency shall
notify the Fiscal Agent in writing of any such amendments which affect the reporting obligations of the Fiscal Agent under this Agreement.

(E) **No Liability.** None of the Successor Agency and its officers, agents and employees, the Finance Director or the Fiscal Agent shall be liable for any inadvertent error in reporting the information required by this Section 9.13.

The Finance Director shall provide copies of any such reports to any Bondowner upon the written request of a Bondowner and payment by the person requesting the information of the cost of the Successor Agency to photocopy and pay any postage or other delivery cost to provide the same, as determined by the Treasurer. The term "Bondowner" for purposes of this Section 9.13 shall include any Beneficial Owner of the Bonds as described in Section 2.13.

**Section 9.14. Counterparts.** This Fiscal Agent Agreement may be executed in counterparts, each of which shall be deemed an original.

* * * * * * * * * *
IN WITNESS WHEREOF, the Successor Agency and the Fiscal Agent have caused this Fiscal Agent Agreement to be executed as of the date first written above.

SUCCESOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO,
for and on behalf of
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO COMMUNITY
FACILITIES DISTRICT NO. 7 (HUNTERS POINT
SHIYARD PHASE ONE IMPROVEMENTS)

By: ________________________________
    Deputy Executive Director, Finance and
    Administration

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

By: ________________________________
    Authorized Officer
UNIVERSAL STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 7
(Hunters Point Shipyard Phase One Improvements)
Special Tax Refunding Bond, Series 2014

INTEREST RATE MATURITY DATE DATED DATE
_____% August 1, ______ _______, 2014

REGISTERED OWNER:

PRINCIPAL AMOUNT: *********DOLLARS

The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”) for and on behalf of the “Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements)” (the “CFD”), for value received, hereby promises to pay solely from Special Tax Revenues (as hereinafter defined) to be collected in the CFD or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the registered owner named above, or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest on such principal amount from Dated Date set forth above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for (unless this Bond is authenticated on or before an Interest Payment Date (as hereinafter defined) and after the close of business on the Record Date (as hereinafter defined) preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to January 15, 2015, in which event it shall bear interest from the Dated Date identified above, payable semiannually on each August 1 and February 1, commencing February 1, 2015 (each an “Interest Payment Date”), at the interest rate set forth above, until the principal amount hereof is paid or made available for payment provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Payment Date to which interest has previously been paid or made available for payment.

Principal of and interest on the Bonds (including the final interest payment upon maturity or earlier redemption), is payable on the applicable Interest Payment Date by check of the Fiscal Agent (defined below) mailed by first class mail to the registered Owner thereof at such registered Owner’s address as it appears on the registration books maintained by the Fiscal

Exhibit A
Page 1
Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon written instructions of any Owner of $1,000,000 or more in aggregate principal amount of Bonds delivered to the Fiscal Agent prior to the applicable Record Date. The principal of the Bonds and any premium on the Bonds are payable in lawful money of the United States of America upon surrender of the Bonds at the Principal Office of the Fiscal Agent or such other place as designated by the Fiscal Agent.

This Bond is one of a duly authorized issue of bonds in the aggregate principal amount of $__________ approved by resolution of the Commission of the Successor Agency on April 15, 2014 (the “Resolution”), under the Mello-Roos Community Facilities Act of 1982, as amended, sections 53311, et seq., of the California Government Code (the “Act”), the Dissolution Act (as defined in the Agreement (as defined below)) and the Refunding Law (as defined below) for the purpose refinancing the outstanding $34,500,000 initial principal amount Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) Variable Rate Demand Special Tax Bonds, 2005 Series A (the “Prior Bonds”), and is one of the series of bonds designated “Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) Special Tax Refunding Bonds, Series 2014” (the “Bonds”).

The issuance of the Bonds and the terms and conditions thereof are provided for by a Fiscal Agent Agreement, dated as of July 1, 2014 (the “Agreement”), between the Successor Agency and The Bank of New York Mellon Trust Company, N.A. (the “Fiscal Agent”) and this reference incorporates the Agreement herein, and by acceptance hereof the owner of this Bond assents to said terms and conditions. The Agreement is authorized under, this Bond is issued under and both are to be construed in accordance with, the laws of the State of California.

Pursuant to the Act, the Resolution and the Agreement, the principal of and interest on this Bond are payable solely from “Special Tax Revenues”, as defined in the Agreement, which consist primarily of the proceeds of the annual special tax authorized under the Act to be collected within the CFD (the “Special Tax”), and certain funds held under the Agreement. Any tax for the payment hereof shall be limited to the Special Tax, except to the extent that provision for payment has been made by the Successor Agency, as may be permitted by law. The Bonds do not constitute obligations of the Successor Agency or the City and County of San Francisco (the “City and County”) for which the Successor Agency or the City and County is obligated to levy or pledge, or has levied or pledged, general or special taxation other than described hereinabove. Neither the faith and credit nor the taxing power of the Successor Agency, the City and County (except to the limited extent set forth in the Agreement) or the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

Optional Redemption. All of the Bonds are subject to redemption prior to their stated maturities, on any Interest Payment Date, in whole or in part, at a redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed) as set forth below, together with accrued interest thereon to the date fixed for redemption:

<table>
<thead>
<tr>
<th>Redemption Date</th>
<th>Redemption Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>On or before August 1, 20___</td>
<td>____%</td>
</tr>
<tr>
<td>On August 2, 20__ through August 1, 20__</td>
<td>____</td>
</tr>
<tr>
<td>On August 2, 20__ and thereafter</td>
<td>____</td>
</tr>
</tbody>
</table>
Mandatory Sinking Fund Redemption. The Term Bond maturing on August 1, _____ is subject to mandatory redemption in part by lot, from sinking fund payments made by the Successor Agency from the Bond Fund, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts all as set forth in the following table:

<table>
<thead>
<tr>
<th>Sinking Fund Redemption Date</th>
<th>Principal Amount Subject to Redemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>(August 1)</td>
<td></td>
</tr>
</tbody>
</table>

Provided, however, if some but not all of the Term Bonds of a given maturity have been redeemed as a result of an optional redemption or a mandatory redemption, the total amount of all future Sinking Fund Payments relating to such maturity shall be reduced by the aggregate principal amount of Term Bonds of such maturity so redeemed, to be allocated among such Sinking Fund Payments on a pro rata basis in integral multiples of $5,000 as determined by the Fiscal Agent, notice of which determination shall be given by the Fiscal Agent to the Successor Agency.

Redemption From Special Tax Prepayments. The Bonds are also subject to redemption from the proceeds of Special Tax Prepayments and any corresponding transfers from the Reserve Fund pursuant to the Agreement on any Interest Payment Date, among maturities so as to maintain substantially the same debt service profile as in effect prior to such redemption and by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed), as set forth below, together with accrued interest to the date fixed for redemption:

<table>
<thead>
<tr>
<th>Redemption Date</th>
<th>Redemption Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>On or before August 1, 20___</td>
<td>____%</td>
</tr>
<tr>
<td>On August 2, 20___ through August 1, 20___</td>
<td>____</td>
</tr>
<tr>
<td>On August 2, 20___ and thereafter</td>
<td>____</td>
</tr>
</tbody>
</table>

Notice of redemption with respect to the Bonds to be redeemed shall be given to the registered owners thereof, in the manner, to the extent and subject to the provisions of the Agreement.

This Bond shall be registered in the name of the owner hereof, as to both principal and interest. Each registration and transfer of registration of this Bond shall be entered by the Fiscal Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

No transfer or exchange hereof shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment endorsed hereon, and authenticated as herein provided, and the principal hereof, interest hereon and any redemption premium shall be payable only to the registered owner or to such owner’s order. The Fiscal Agent shall require the registered owner requesting transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfer or exchange hereof shall be required to be made (i) fifteen days prior to the date established by the Fiscal
Agent for selection of Bonds for redemption or (ii) with respect to a Bond after such Bond has been selected for redemption.

The Agreement and the rights and obligations of the Successor Agency thereunder may be modified or amended as set forth therein. The principal of the Bonds is not subject to acceleration upon a default under the Agreement or any other document.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Fiscal Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED by the Successor Agency that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the Successor Agency, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Fiscal Agent 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.
IN WITNESS WHEREOF, the Successor Agency to the Redevelopment Agency of the City and County of San Francisco has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Deputy Executive Director, Finance and Administration and attested by the facsimile signature of its Secretary, all as of the Dated Date set forth above.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO

By: ________________________________
    Deputy Executive Director, Finance and Administration

ATTEST:

______________________________
Secretary

[FORM OF FISCAL AGENT’S CERTIFICATE OF AUTHENTICATION AND REGISTRATION]

This is one of the Bonds described in the Agreement which has been authenticated on ____________, 2014.

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

By: ________________________________
    Authorized Signatory
FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

__________________________________________________________

(Name, Address and Tax Identification or Social Security Number of Assignee)

do(es) hereby irrevocably constitute and appoint ________________________________, attorney, to transfer the same on the registration books of the Fiscal Agent, with full power of substitution in the premises.

Dated: ________________________________

Signature Guaranteed:

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

NOTICE: The signature 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

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 7
(Hunters Point Shipyard Phase One Improvements)
Special Tax Refunding Bonds, Series 2014

OFFICER’S CERTIFICATE REQUESTING DISBURSEMENT
FROM COSTS OF ISSUANCE FUND

REQUISITION NO. _____

The undersigned hereby states and certifies that:

(i) I am the duly appointed, qualified and acting Deputy Executive Director, Finance and Administration of the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”) and as such, am familiar with the facts herein certified and am authorized to certify the same;

(ii) I am an “Authorized Officer,” as such term is defined in that certain Fiscal Agent Agreement, dated as of July 1, 2014 (the “Fiscal Agent Agreement”), by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “Fiscal Agent”);

(iii) under Section 4.02(B) of the Fiscal Agent Agreement, the undersigned hereby requests and authorizes the Fiscal Agent to disburse from the Costs of Issuance Fund established under the Fiscal Agent Agreement to each payee designated on Schedule A attached hereto and by this reference incorporated herein, the amount set forth opposite such payee, for payment or reimbursement of previous payment of Costs of Issuance (as that term is defined in the Fiscal Agent Agreement) as described on attached Schedule A; and

(iv) the disbursements described on the attached Schedule A constitute Costs of Issuance, and are properly chargeable to the Costs of Issuance Fund.

Dated: ____________

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN FRANCISCO

By: ________________________________
Deputy Executive Director, Finance and Administration

Exhibit B
Page 1
# SCHEDULE A

<table>
<thead>
<tr>
<th>Payee Name and Address</th>
<th>Purpose of Obligation</th>
<th>Amount</th>
</tr>
</thead>
</table>

Exhibit B
Page 2
EXHIBIT C

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 7
(Hunters Point Shipyard Phase One Improvements)
Special Tax Refunding Bonds, Series 2014

OFFICER’S CERTIFICATE REQUESTING DISBURSEMENT
FROM ADMINISTRATIVE EXPENSE FUND

REQUISITION NO. _____

The undersigned hereby states and certifies that:

(i) I am the duly appointed, qualified and acting Deputy Executive Director, Finance and Administration of the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”) and as such, am familiar with the facts herein certified and am authorized to certify the same;

(ii) I am an “Authorized Officer,” as such term is defined in that certain Fiscal Agent Agreement, dated as of __________, 2014 (the “Fiscal Agent Agreement”), by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “Fiscal Agent”);

(iii) under Section 4.06(B) of the Fiscal Agent Agreement, the undersigned hereby requests and authorizes the Fiscal Agent to disburse from the Administrative Expense Fund established under the Fiscal Agent Agreement to each payee designated on Schedule A attached hereto and by this reference incorporated herein, the amount set forth opposite such payee, for payment or reimbursement of previous payment of an Administrative Expense or Costs of Issuance (as those terms are defined in the Fiscal Agent Agreement) as described on attached Schedule A; and

(iv) the disbursements described on the attached Schedule A constitute Administrative Expenses or Costs of Issuance, and are properly chargeable to the Administrative Expense Fund.

Dated: _______________

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN FRANCISCO

By: ___________________________
Deputy Executive Director, Finance and Administration

Exhibit C
Page 1
<table>
<thead>
<tr>
<th>Payee Name and Address</th>
<th>Purpose of Obligation</th>
<th>Amount</th>
</tr>
</thead>
</table>


EXHIBIT D

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 7
(Hunters Point Shipyard Phase One Improvements)
Special Tax Refunding Bonds, Series 2014

OFFICER’S CERTIFICATE REQUESTING DISBURSEMENT
FROM IMPROVEMENT FUND

REQUISITION NO. _____

The undersigned hereby states and certifies that:

(i) I am the duly appointed, qualified and acting Deputy Executive Director, Finance and Administration of the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”) and as such, am familiar with the facts herein certified and am authorized to certify the same;

(ii) I am an “Authorized Officer,” as such term is defined in that certain Fiscal Agent Agreement, dated as of __________, 2014 (the “Fiscal Agent Agreement”), by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “Fiscal Agent”);

(iii) under Section 4.07(B) of the Fiscal Agent Agreement, the undersigned hereby requests and authorizes the Fiscal Agent to disburse from the Improvement Fund established under the Fiscal Agent Agreement to each payee designated on Schedule A attached hereto and by this reference incorporated herein, the amount set forth opposite such payee, for payment or reimbursement of previous payment of an Administrative Expense or Costs of Issuance (as those terms are defined in the Fiscal Agent Agreement) as described on attached Schedule A;

(iv) the disbursements described on the attached Schedule A will be used to pay the costs of the Project pursuant to the terms of the Acquisition Agreement, or if no Acquisition Agreement is currently in effect, as permitted by the Act; and

(v) no portion of the amount being requested to be withdrawn hereunder was paid pursuant to any certificate to the Successor Agency previously filed requesting a withdrawal.
Dated: ____________

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN FRANCISCO

By: ____________________________
   Deputy Executive Director, Finance
   and Administration
<table>
<thead>
<tr>
<th>Payee Name and Address</th>
<th>Purpose of Obligation</th>
<th>Amount</th>
</tr>
</thead>
</table>