AGREEMENT REGARDING
THE REDEMPTION, DEFEASANCE AND PAYMENT OF
2004 SERIES D BONDS AND 2004 SERIES D LOAN AGREEMENTS

By and Among

CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING
AUTHORITY

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 Escrow Trustee

Dated as [December 1, 2014]
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AGREEMENT REGARDING
THE REDEMPTION, DEFEASANCE AND PAYMENT OF
2004 SERIES D BONDS AND 2004 SERIES D LOAN AGREEMENTS

THIS AGREEMENT REGARDING THE REDEMPTION, DEFEASANCE AND PAYMENT OF 2004 SERIES D BONDS AND 2004 SERIES D LOAN AGREEMENTS, dated as of [December 1, 2014] (this "Agreement Regarding Redemption"), by and among the CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY, a public body, corporate and politic, duly organized and existing under the laws of the State of California (the "Authority"), the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public entity 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"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and existing under the laws of the United States of America, as escrow trustee (the "Escrow Trustee").

W I T N E S S E T H:

WHEREAS, the Successor Agency is, simultaneously with the execution of this Agreement Regarding Redemption, issuing $_________ aggregate principal amount of its 2014 Series B Taxable Subordinate Tax Allocation Bonds (San Francisco Redevelopment Projects) (the "2014 Series B Taxable Bonds");

WHEREAS, the 2014 Series B Taxable Bonds are being issued, in part, for the purpose of providing moneys to refund all of the 2004 Series D Bonds (as hereinafter defined) and provide for the prepayment of the amounts owed by the Successor Agency under the 2004 Series D Loan Agreements (as hereinafter defined);

WHEREAS, in order to accomplish the refunding of the 2004 Series D Bonds and the 2004 Series D Loan Agreements, the Successor Agency will deposit, or cause to be deposited, a portion of the proceeds of the 2014 Series B Taxable Bonds and certain other moneys of the Successor Agency [and the Authority] with the Escrow Trustee in accordance with this Agreement Regarding Redemption; and

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

SECTION 1. Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Agreement Regarding Redemption shall have the respective meanings which such terms are given in Section 1.01 of the Indenture (hereinafter defined). In addition, the following terms defined in this Section 1 shall, for all purposes of this Agreement Regarding Redemption, have the respective meanings herein specified.

"Eligible Securities" shall have the meaning assigned to such term in Section 3 hereof.

"Escrowed Securities" shall have the meaning assigned to such term in Section 3 hereof.
"Indenture" means the Indenture of Trust, dated as of December 1, 2014, by and between the Successor Agency and ________________, as trustee thereunder (the “2014 Series B Trustee”), relating to the issuance of the 2014 Series B Taxable Bonds.

"2004 Series D Bonds" means the Authority’s $45,865,000 initial aggregate principal amount of 2004 Series D Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects).

"2004 Series D Indenture" means the Indenture of Trust dated as of June 1, 2004 between the Authority and BNY Western Trust Company, as succeeded by The Bank of New York Mellon Trust Company, N.A., as trustee.

"2004 Series D Loan Agreements" means, collectively,

(a) the Loan Agreement dated as of June 1, 2004, by and among the Former Agency, BNY Western Trust Company, as succeeded by The Bank of New York Mellon Trust Company, N.A., as trustee, and the Authority relating to the merged Embarcadero-Lower Market ("Golden Gateway") Redevelopment Project Area and the South of Market Redevelopment Project Area and entered into in connection with the 2004 Series D Bonds,

(b) the Loan Agreement dated as of June 1, 2004, by and among the Former Agency, BNY Western Trust Company, as succeeded by The Bank of New York Mellon Trust Company, N.A., as trustee, and the Authority relating to the Rincon Point – South Beach Redevelopment Project Area and entered into in connection with the 2004 Series D Bonds,

(c) the Loan Agreement dated as of June 1, 2004, by and among the Former Agency, BNY Western Trust Company, as succeeded by The Bank of New York Mellon Trust Company, N.A., as trustee, and the Authority relating to the Western Addition Redevelopment Project Area A-2 and entered into in connection with the 2004 Series D Bonds, and

(d) the Loan Agreement dated as of June 1, 2004, by and among the Former Agency, BNY Western Trust Company, as succeeded by The Bank of New York Mellon Trust Company, N.A., as trustee, and the Authority relating to the Yerba Buena Center Approved Redevelopment Project Area D-1 and entered into in connection with the 2004 Series D Bonds.

SECTION 2. Creation of Escrow Fund. There is hereby created and established with the Escrow Trustee a special and irrevocable escrow fund designated “2004 Series D Escrow Fund” (the "Escrow Fund") to be held in the custody of the Escrow Trustee in trust under this Agreement Regarding Redemption for the benefit of the beneficial owners of the 2004 Series D Bonds.

Moneys and securities on deposit in the Escrow Fund shall be held in the custody of the Escrow Trustee solely for the benefit of the owners of the 2004 Series D Bonds. Except to the extent of any excess to be released as provided in Section 12 hereof, neither the Authority nor the Successor Agency shall have any interest in the funds or investments held in the Escrow Fund. The moneys and securities held hereunder shall be irrevocably pledged and set aside for
the payment of the 2004 Series D Bonds and the 2004 Series D Loan Agreements as provided in Section 6 hereof.

SECTION 3. Deposit to the Escrow Fund. Concurrently with the execution and delivery of this Agreement Regarding Redemption, the Successor Agency shall deposit, or cause to be deposited, with the Escrow Trustee $_______________ to be derived from the proceeds of the 2014 Series B Taxable Bonds[, and $_______________ to be derived from funds held under reserve accounts established under the 2004 Series D Loan Agreements], for a total deposit of $_______________, which amounts the Successor Agency hereby instructs the Escrow Trustee to so transfer, hold, invest and use as provided in this Agreement Regarding Redemption.

The Escrow Trustee shall, on __________ __, 201_, use $______________ of such amounts to purchase the security listed on Schedule A attached hereto and made a part hereof (the "Escrowed Securities") (which security the Successor Agency represents are Eligible Securities as hereinafter defined) maturing on the dates and in the amounts necessary to make the transfers described in Section 6 hereof. The remaining $____ shall be held uninvested in cash.

For purposes of this Agreement Regarding Redemption, the term "Eligible Securities" means direct non-callable obligations of the United States government, including State and Local Government Series issued by the United States Treasury, United State Treasury STRIPS, and direct non-callable, non-prepayable obligations for which the full and timely payment of principal and interest is unconditionally guaranteed by the United States Government, including interest strips of the Resolution Funding Corporation for which separation of principal and interest is made by a Federal Reserve Bank in book-entry form, but excluding unit investment trusts in money market mutual funds.

SECTION 4. Investment of Escrow Fund. The Escrow Trustee will purchase the Escrowed Securities in the name of the Escrow Trustee as provided in Section 3 above and will hold such Escrowed Securities, and any earnings received thereon and any reinvestment thereof in the Escrow Fund and disburse such amounts as provided herein. The Escrow Trustee shall collect amounts due and shall sell or otherwise liquidate investments in the Escrow Fund as needed to make the payments and transfers required by this Agreement Regarding Redemption and may sell, liquidate or otherwise dispose of the Escrowed Securities in accordance with Section 8 hereof and may substitute, upon the written direction of the Successor Agency, Eligible Securities subject to the terms and limitations of Section 8 hereof but otherwise shall have no power or duty to sell, transfer or otherwise dispose of the Escrowed Securities.

SECTION 5. Creation of Lien on Escrow Fund. The Escrow Fund created hereby shall be irrevocable, and the Escrow Trustee is hereby appointed to act for the benefit of the owners of the 2004 Series D Bonds, which are hereby granted an express lien on the Escrow Fund, and all moneys and investments from time to time held therein, for the payment of amounts described in Section 6 below. The Escrow Trustee shall hold the moneys and investments on deposit in the Escrow Fund separate and apart from, and not commingled with, any other moneys or investments.
SECTION 6. Use of Escrow Fund. The Escrow Trustee shall use the maturing Escrowed Securities, the interest earnings thereon, and amounts deposited in cash in the Escrow Fund to pay the redemption price on the 2004 Series D Bonds as set forth in Schedule B hereto. All amounts remaining in the Escrow Fund after the payment of such debt service shall be transferred to or upon the direction of the Successor Agency and used to pay debt service on the 2014 Series B Taxable Bonds.

As a result of the deposit into and use of the Escrow Fund as described herein, all payment obligations of the Successor Agency under the 2004 Series D Loan Agreements have been discharged in full.

SECTION 7. Notice of Redemption. The Escrow Trustee shall mail to the owners of the 2004 Series D Bonds a notice of redemption as required by the 2004 Series D Indenture.

SECTION 8. Reinvestment; Substitution; Liquidation. Interest income and other amounts received by the Escrow Trustee as payments on the Escrowed Securities shall be held as part of the Escrow Fund to be used for the purposes set forth in Section 6 of this Agreement Regarding Redemption and shall be invested by the Escrow Trustee in Eligible Securities but only at the written direction of the Authority and the Successor Agency, provided that (i) such amounts may only be invested in Eligible Securities and (ii) such investments shall have maturities which do not extend beyond the date on which the moneys so invested will be needed to make the transfers required by Section 6 of this Agreement Regarding Redemption.

If the Successor Agency and the Authority, at any time, deliver to the Escrow Trustee written instructions instructing the Escrow Trustee to liquidate, sell or otherwise dispose of any or all securities or investments in the Escrow Fund, purchase or otherwise acquire Eligible Securities, and/or to release any moneys or securities therein to the Successor Agency, and further delivers to the Escrow Trustee, each of the following:

(a) a revised Schedule A (together with a certification by the Successor Agency that the securities or investments described therein are Eligible Securities);

(b) a report of a nationally recognized firm of independent certified public accountants verifying that the securities or investments described on such Schedule A will provide moneys (excluding reinvestment earnings), available in both time and amount, to enable timely payment of all amounts required in accordance with Section 6; and

(c) an opinion of nationally recognized bond counsel to the effect that the liquidation, sale or other disposition of securities or investments in the Escrow Fund, the purchase or other acquisition of securities or investments and the deposit thereof in the Escrow Fund, or the release of amounts from the Escrow Fund as described in this Section 8 will not result in loss of the exemption of interest on any of the 2004 Series D Bonds or the 2014 Series B Taxable Bonds from State of California personal income taxes;

then the Escrow Trustee shall liquidate, sell or otherwise dispose of the securities in the Escrow Fund, shall purchase (or retain) the securities or investments described in such revised Schedule A and transfer to the Successor Agency, free and clear of the lien of this Agreement Regarding Redemption, any and all amounts in the Escrow Fund not required for the purchase
of the investments described on such revised Schedule A, all in accordance with such instructions from the Successor Agency referred to above.

SECTION 9. Liability of Escrow Trustee.

The Successor Agency hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to the extent permitted by law to indemnify, protect, save and keep harmless the Escrow Trustee and its respective successors, assigns, agents, officers, directors, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Trustee at any time (whether or not also indemnified against the same by the Successor Agency or by any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement Regarding Redemption, the establishment hereunder of the Escrow Fund, the acceptance of the funds and securities deposited therein, the purchase of the Escrowed Securities, the retention of the Escrowed Securities or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Trustee in accordance with the provisions of this Agreement Regarding Redemption; provided, however, that the Successor Agency shall not be required to indemnify the Escrow Trustee against the Escrow Trustee's own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Trustee's agents and employees or the willful breach by the Escrow Trustee of the terms of this Agreement Regarding Redemption. In no event shall the Successor Agency or the Escrow Trustee be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement Regarding Redemption and the resignation or removal of the Escrow Trustee.

The Escrow Trustee undertakes to perform only such duties as are expressly and specifically set forth in this Agreement Regarding Redemption and no implied duties or obligations shall be read into this Agreement Regarding Redemption against the Escrow Trustee.

The Escrow Trustee shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Trustee be liable for any special indirect or consequential damages.

The Escrow Trustee may consult with counsel of its own choice and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action hereunder in accordance with such opinion of counsel.

The Escrow Trustee shall not be responsible for any of the recitals or representations contained herein.

The Escrow Trustee shall incur no liability for losses arising from any investment made in accordance with and pursuant to this Agreement Regarding Redemption.

Whenever in the administration of this Agreement Regarding Redemption the Escrow Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the
part of the Escrow Trustee, be deemed to be conclusively proved and established by a certificate of an authorized representative of the Successor Agency, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Escrow Trustee, be full warrant to the Escrow Trustee for any action taken or suffered by it under the provisions of this Agreement Regarding Redemption upon the faith thereof.

The Escrow Trustee may at any time resign by giving written notice to the Authority and the Successor Agency of such resignation. The Authority and the Successor Agency shall promptly appoint a successor Escrow Trustee by the resignation date. Resignation of the Escrow Trustee will be effective upon acceptance of appointment by a successor Escrow Trustee. If the Authority and the Successor Agency do not appoint a successor, the Escrow Trustee may petition any court of competent jurisdiction for the appointment of a successor Escrow Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Escrow Trustee.

The liability of the Escrow Trustee to make the payments required by Agreement Regarding Redemption shall be limited to the cash and Escrowed Securities in the Escrow Fund.

The Escrow Trustee shall not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys or Escrowed Securities deposited with it to pay the principal, interest, or premiums, if any, on the 2004 Series D Bonds.

No provision of this Agreement Regarding Redemption shall require the Escrow Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

**SECTION 10. Sufficiency of Escrow.** The Authority agrees that if for any reason the investments and moneys and other funds in the Escrow Fund are insufficient or otherwise unavailable to pay timely principal and premium of, and interest on, that portion of the 2004 Series D Bonds identified in Schedule B hereto, the Authority shall continue to be liable therefor in accordance with the terms of the indentures of trust relating to the 2004 Series D Bonds.

**SECTION 11. Successor Escrow Trustee.** Any corporation into which the Escrow Trustee and the trust created by this Agreement Regarding Redemption may be merged or converted, or with which it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or tax-free reorganization to which the Escrow Trustee shall be a party, shall, if satisfactory to the Successor Agency, be the successor Escrow Trustee under this Agreement Regarding Redemption without the execution or filing of any paper or any other act on the part of the parties hereto, anything herein to the contrary notwithstanding.

**SECTION 12. Termination.** This Agreement Regarding Redemption shall terminate when all transfers and payments required to be made by the Escrow Trustee under the provisions of Section 6 hereof shall have been made and any moneys remaining in the Escrow Fund at the time of such termination shall have been distributed to the Successor Agency and the Escrow Trustee has made a final report to the Successor Agency.

**SECTION 13. [Reserved].**

**SECTION 14. Severability.** If any one or more of the covenants and agreements provided in this Agreement Regarding Redemption on the part of the Successor Agency or the
Escrow Trustee to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement Regarding Redemption.

SECTION 15. Successors and Assigns. All of the covenants and agreements in this Agreement Regarding Redemption contained by or on behalf of the Successor Agency, the Authority and the Escrow Trustee, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 16. Compensation of Escrow Trustee. For acting under this Agreement Regarding Redemption, the Escrow Trustee shall be entitled to payment of fees for its services and reimbursement of advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Escrow Trustee in connection with its services under this Agreement Regarding Redemption; however, such amount shall never be payable from or become a lien upon the Escrow Fund, which fund shall be held solely for the purposes and subject to the lien set forth in Section 5 of this Agreement Regarding Redemption.

The Successor Agency covenants to indemnify and hold harmless the Escrow Trustee against any loss, liability or expense, including legal fees in connection with the performance of any of its duties hereunder, except the Escrow Trustee shall not be indemnified against any loss, liability or expense resulting from its negligence or willful misconduct. Such indemnification shall survive the termination of this Agreement Regarding Redemption.
SECTION 17. Governing Law. This Agreement Regarding Redemption shall be governed by the applicable laws of the State of California.

SECTION 18. Headings. Any headings preceding the text of the several Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement Regarding Redemption, nor shall they affect its meaning, construction or effect.

SECTION 19. Counterparts. This Agreement Regarding Redemption may be signed in several counterparts, each of which will constitute an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the City and County of San Francisco Redevelopment Financing Authority, 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 Escrow Trustee, have each caused this Agreement Regarding Redemption to be executed, and The Bank of New York Mellon Trust Company, N.A., as trustee for the 2004 Series D Bonds, has caused this Agreement Regarding Redemption to be acknowledged, by their duly authorized officers as of the date first above written.

CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY

By: _________________________________
    Treasurer

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

By: _________________________________
    Deputy Executive Director,
    Finance and Administration

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

By: _________________________________
    Authorized Officer
ACKNOWLEDGEMENT OF
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
AS TRUSTEE FOR THE 2004 SERIES D BONDS

The Bank of New York Mellon Trust Company, N.A., as Trustee for the 2004 Series D Bonds hereby acknowledges the provisions of this Agreement Regarding Redemption and, in particular, Section 7 hereof and, as such provisions are applicable to The Bank of New York Mellon Trust Company, N.A., in its capacity as Trustee for the 2004 Series D Bonds agrees to comply therewith. The Bank of New York Mellon Trust Company, N.A., as Trustee for the 2004 Series D Bonds, hereby also waives, pursuant to Section 2.03 of the 2004 Series D Loan Agreements, receipt of the written notice of the Successor Agency's intention to prepay the loans made from the proceeds of the 2004 Series D Loan Agreements.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Trustee for the 2004 Series D Bonds

By:_________________________
Authorized Officer
# SCHEDULE A

## Escrowed Securities

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Schedule A
SCHEDULE B

2004 Series D Bonds Being Refunded with Escrowed Securities

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*To be redeemed on _______, 201_ at a price of 100% of the principal amount thereof plus accrued interest thereon, without premium.