

In the opinion of Quint & Thimmig LLP, San Francisco, California, Bond Counsel, subject, however, to certain qualifications described in this Official Statement, under existing law, interest on the 2013 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS."

\$81,775,000
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 6
(MISSION BAY SOUTH PUBLIC IMPROVEMENTS)
SPECIAL TAX REFUNDING BONDS,
SERIES 2013A PARITY-SOUTH
(CURRENT INTEREST BONDS)

\$19,635,000
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 6
(MISSION BAY SOUTH PUBLIC IMPROVEMENTS)
SPECIAL TAX BONDS,
SERIES 2013B PARITY-SOUTH
(CURRENT INTEREST BONDS)

\$21,601,256
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 6
(MISSION BAY SOUTH PUBLIC IMPROVEMENTS)
SPECIAL TAX BONDS,
SERIES 2013C PARITY-SOUTH
(CAPITAL APPRECIATION BONDS)

Dated: Date of Issuance**Due: August 1, as shown on front inside cover**

General. The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the "Successor Agency") is issuing the captioned bonds (collectively, the "2013 Bonds") for and on behalf of the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) (the "Community Facilities District").

Authority for Issuance of the 2013 Bonds. The 2013 Bonds are being issued by the Successor Agency pursuant to (i) the Mello-Roos Community Facilities Act of 1982, as amended (the "Mello-Roos Act"), (ii) a Fiscal Agent Agreement dated as of January 1, 2013 and supplements thereto (collectively, the "Fiscal Agent Agreement"), by and between the Successor Agency and Wells Fargo Bank, National Association, as fiscal agent (the "Fiscal Agent") and (iii) a resolution of the Successor Agency Commission. The issuance of the 2013 Bonds will also be approved in the manner required by the California Community Redevelopment Law.

Financing Purpose. The proceeds of the 2013 Bonds will be used to (i) finance a portion of the costs of acquisition of various public capital improvements necessary for development and redevelopment to occur within the Community Facilities District, (ii) provide funds for the current refunding and defeasance of certain outstanding bonds previously issued by the Redevelopment Agency of the City and County of San Francisco (the "Redevelopment Agency"), for and on behalf of the Community Facilities District, under the Fiscal Agent Agreement (consisting of the "2001 Bonds" and the "2002 Bonds" as defined in this Official Statement), (iii) increase the amount on deposit in a debt service reserve fund for the 2013 Bonds and certain 2005 Bonds previously issued under the Fiscal Agent Agreement, and (iv) pay the costs of issuing the 2013 Bonds.

Payment of Debt Service on the Bonds. Interest due with respect to the "Current Interest Bonds" (consisting of the Series 2013A and the Series 2013B Bonds) is payable on February 1 and August 1 of each year, commencing August 1, 2013. Interest on the "Capital Appreciation Bonds" (consisting of the Series 2013C Bonds) compounds on each February 1 and August 1, commencing August 1, 2013, and is payable only on the maturity date or earlier redemption date of the Series 2013C Bonds.

"Record Date" is defined in the Fiscal Agent Agreement as the 15th day of the month next preceding the month of the applicable Interest Payment Date, whether or not such day is a Business Day.

Authorized Denominations. Authorized denominations of the Current Interest Bonds are \$5,000 and any integral multiple thereof. Authorized denominations of the Capital Appreciation Bonds are \$5,000 maturity amount and any integral multiple thereof.

DTC Book-Entry System. Initial purchases of beneficial interests in the 2013 Bonds will be made in book-entry form and the 2013 Bonds initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Purchasers of beneficial interests in the 2013 Bonds will not receive certificates representing their interests in the 2013 Bonds and will not be paid directly by the Fiscal Agent. See APPENDIX E—"DTC AND THE BOOK-ENTRY SYSTEM."

Redemption. The 2013 Bonds are subject to optional and mandatory redemption prior to their stated maturity. See "THE 2013 BONDS—Redemption of 2013 Bonds."

Security. The principal or maturity amount of, premium, if any, and the interest on the 2013 Bonds are payable from "Revenues," which primarily consist of the annual installments of the Special Tax levied and collected on the taxable real property within the Community Facilities District. Such "Special Tax Revenues," which include any scheduled payments and any prepayments of the Special Taxes, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of any delinquent Special Taxes to the amount of said lien and interest thereon, are pledged to repayment of the Bonds pursuant to the Fiscal Agent Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2013 BONDS." The Revenues do not include any tax increment revenues generated in the Successor Agency's Mission Bay South Redevelopment Project Area or any other redevelopment project area.

Existing Parity Bonds. The 2013 Bonds are secured by the pledge of Revenues and amounts in certain other funds described in the Fiscal Agent Agreement on a parity basis with outstanding bonds of the Successor Agency (consisting of the "2005 Bonds" as defined in this Official Statement), which are currently outstanding in the principal amount (not accreted value) of \$19,588,939.

Future Parity Bonds. Following issuance of the 2013 Bonds, the Successor Agency will be authorized to issue \$44,564,805 initial principal amount of additional bonds for and on behalf of the Community Facilities District. Subject to certain conditions set forth in the Fiscal Agent Agreement, the Successor Agency may issue bonds secured by a pledge of Revenues on a parity basis with the 2005 Bonds and the 2013 Bonds ("Parity Bonds"). See "SECURITY AND SOURCES OF PAYMENT FOR THE 2013 BONDS—Parity Bonds."

Reserve Fund. The Redevelopment Agency established a Reserve Fund from proceeds of the 2001 Bonds and made additional deposits to the Reserve Fund with proceeds of the 2002 Bonds and the 2005 Bonds. A portion of the moneys in the Reserve Fund will be used to pay a portion of the redemption price of the 2001 Bonds and the 2002 Bonds. The Successor Agency will deposit a portion of the proceeds of the 2013 Bonds in the Reserve Fund so that the amount in the Reserve Fund is equal to the "Reserve Requirement" as of the date of issuance of the 2013 Bonds. If Revenues are insufficient to pay the scheduled debt service on the 2013 Bonds and the 2005 Bonds, the monies in the Reserve Fund are available to cover the deficiency. There is no assurance that Revenues will be sufficient to pay debt service on the 2005 Bonds, the 2013 Bonds and any Parity Bonds when due, and if, during the period of shortfall in Revenues, there are insufficient moneys in the Reserve Fund, there may be a delay in payment of principal and interest to the owners of the 2013 Bonds.

Limited Liability. The 2013 Bonds are not general obligations of the Successor Agency or the City and County of San Francisco. The 2013 Bonds are payable solely from the Revenues and other amounts pledged by the Successor Agency under the Fiscal Agent Agreement.


Risks of Investment. Investment in the 2013 Bonds involves risks that may not be appropriate for some investors, especially because the taxable property in the Community Facilities District is not completely developed. See "SPECIAL RISK FACTORS" for a discussion of certain risk factors that should be considered by potential investors in the 2013 Bonds, in addition to the other matters set forth herein, in evaluating the investment quality of the 2013 Bonds.

Summary. This cover page contains information for general reference only. It is not a complete summary of the 2013 Bonds or their security. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the 2013 Bonds.

MATURITY SCHEDULE
 See inside front cover

The 2013 Bonds are offered when, as and if issued and received by the Underwriters, subject to the approval as to their legality by Quint & Thimmig LLP, San Francisco, California, Bond Counsel. Jones Hall, A Professional Law Corporation, San Francisco, California, is acting as disclosure counsel to the Successor Agency. Certain legal matters will be passed upon for the Underwriters by Lofton & Jennings, San Francisco, California, Underwriters' counsel. Certain legal matters will be passed upon for FOCL-MB, LLC by Coblenz, Patch, Duffy & Bass LLP. Certain legal matters will be passed upon for the Successor Agency by the City Attorney for the City and County of San Francisco. It is anticipated that the 2013 Bonds will be available for delivery through the facilities of DTC on or about February 1, 2013.

STONE & YOUNGBERG
 A DIVISION OF STIFEL NICOLAUS

 **Backstrom McCarley Berry & Co., LLC**

MATURITY SCHEDULE

Series 2013A Bonds – Current Interest Bonds

\$66,475,000 Serial Bonds; CUSIP* Prefix 79772A

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	CUSIP Suffix*
2013	\$1,140,000	2.000%	0.950%	AA5
2014	1,360,000	2.000	1.300	AB3
2015	1,520,000	3.000	1.650	AC1
2016	1,700,000	3.000	2.010	AD9
2017	1,895,000	4.000	2.370	AE7
2018	2,110,000	5.000	2.600	AF4
2019	2,360,000	5.000	2.900	AG2
2020	2,625,000	5.000	3.130	AH0
2021	2,910,000	5.000	3.360	AJ6
2022	3,205,000	5.000	3.540	AK3
2023	3,525,000	5.000	3.710 C	AL1
2024	3,860,000	5.000	3.800 C	AM9
2025	4,215,000	5.000	3.880 C	AN7
2026	4,595,000	5.000	3.950 C	AP2
2027	4,995,000	5.000	4.000 C	AQ0
2028	5,415,000	5.000	4.050 C	AR8
2029	5,865,000	5.000	4.110 C	AS6
2030	6,340,000	5.000	4.170 C	AT4
2031	6,840,000	5.000	4.220 C	AU1

\$15,300,000 5.000% Term Bond due August 1, 2033, Price 105.812% C,
CUSIP* No. 79772A AV9

Series 2013B Bonds – Current Interest Bonds

\$16,950,000 Serial Bonds; CUSIP* Prefix 79772A

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	CUSIP Suffix*
2013	\$ 695,000	2.000%	0.950%	AW7
2014	690,000	2.000	1.300	AX5
2015	705,000	2.000	1.650	AY3
2016	715,000	2.000	2.010	AZ0
2017	730,000	3.000	2.370	BA4
2018	750,000	3.000	2.600	BB2
2019	780,000	3.000	2.900	BC0
2020	800,000	3.000	3.130	BD8
2021	820,000	3.250	3.360	BE6
2022	855,000	3.500	3.540	BF3
2023	880,000	4.000	3.710 C	BG1
2024	915,000	4.000	3.900 C	BH9
2025	950,000	4.000	4.050	BJ5
2026	985,000	4.000	4.120	BK2
2027	1,030,000	5.000	4.000 C	BL0
2028	1,080,000	5.000	4.050 C	BM8
2029	1,135,000	5.000	4.110 C	BN6
2030	1,185,000	5.000	4.170 C	BP1
2031	1,250,000	5.000	4.220 C	BQ9

\$2,685,000 4.375% Term Bond due August 1, 2033, Price 98.733%,
CUSIP* No. 79772A BR7

Series 2013C Bonds – Capital Appreciation Bonds

\$9,027,839.60 Initial Amount (\$36,800,000 Accreted Value at Maturity)
Serial Capital Appreciation Bonds; CUSIP* Prefix 79772A

Maturity Date (August 1)	Initial Amount	Yield to Maturity	Accreted Value at Maturity	CUSIP Suffix*
2036	\$3,166,062.25	5.760%	\$12,025,000	BS5
2037	3,007,745.95	5.820	12,265,000	BT3
2038	2,854,031.40	5.880	12,510,000	BV8

\$12,573,416.40 Initial Amount (\$74,735,000 Accreted Value at Maturity) Term Bond due August 1, 2043,
Yield to Maturity 5.930%, Price 16.824%, CUSIP* No. 79772A BU0

C: Priced to the first optional par call date of August 1, 2022.

* Copyright 2013, American Bankers Association. CUSIP data is provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. Neither the Successor Agency nor the Underwriters assume any responsibility for the accuracy of the CUSIP data.

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

MEMBERS OF THE SUCCESSOR AGENCY COMMISSION

Theodore Ellington, *Seat 1*
Christine Johnson, *Seat 3*
Marily Mondejar, *Seat 2*
Mara Rosales, *Seat 4*
Darshan H. Singh, *Seat 5*

SUCCESSOR AGENCY STAFF

Tiffany Bohee, *Executive Director*
James Morales, *Deputy Executive Director*
Sally Oerth, *Deputy Executive Director*
Natasha Jones, *Secretary*

SPECIAL SERVICES

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San Francisco

Disclosure Counsel

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San Francisco

Co-Financial Advisors

Public Financial Management, Inc.
San Francisco

Special Tax Consultant

Goodwin Consulting Group, Inc.
Sacramento

Kitahata & Company
San Francisco

Fiscal Agent

Wells Fargo Bank, National Association
San Francisco, CA

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

The information contained in this Official Statement has been obtained from sources that are believed to be reliable. No representation, warranty or guarantee, however, is made by the Underwriters as to the accuracy or completeness of any information in this Official Statement, including, without limitation, the information contained in the Appendices, and nothing contained in this Official Statement should be relied upon as a promise or representation by the Underwriters.

Neither the Successor Agency nor the Underwriters have authorized any dealer, broker, salesperson or other person to give any information or make any representations with respect to the offer or sale of the 2013 Bonds other than as contained in this Official Statement. If given or made, any such information or representations must not be relied upon as having been authorized by the Successor Agency or the Underwriters. The information and expressions of opinion in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the 2013 Bonds shall under any circumstances create any implication that there has been no change in the affairs of any party described in this Official Statement, or in the status of any property described in this Official Statement, subsequent to the date as of which such information is presented.

This Official Statement and the information contained in this Official Statement are subject to amendment without notice. The 2013 Bonds may not be sold, and no offer to buy the 2013 Bonds may be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the 2013 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful.

When used in this Official Statement, in any continuing disclosure by the Successor Agency, in any press release, or in any oral statement made with the approval of an authorized officer of the Successor Agency or any other entity described or referenced in this Official Statement, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

All summaries of the documents referred to in this Official Statement are qualified by the provisions of the respective documents summarized and do not purport to be complete statements of any or all of such provisions.

The Underwriters have provided the following sentence for inclusion in this Official Statement: "The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or the completeness of such information."

In connection with the offering of the 2013 Bonds, the Underwriters may overallocate or effect transactions that stabilize or maintain the market prices of the 2013 Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The 2013 Bonds have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon an exemption from the registration requirements contained in the Securities Act. The 2013 Bonds have not been registered or qualified under the securities laws of any state.

The Successor Agency and its related Oversight Board maintain Internet websites, but the information on the websites is not incorporated in this Official Statement.

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OFFICIAL STATEMENT

\$81,775,000
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 6
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SPECIAL TAX BONDS,
SERIES 2013C PARITY-SOUTH
(CAPITAL APPRECIATION BONDS)

INTRODUCTION

This Official Statement, which also includes the cover page and Appendices, sets forth certain information relating to the issuance and sale by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “**Successor Agency**”) of the following bonds (collectively, the “**2013 Bonds**”) for and on behalf of the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) (the “**Community Facilities District**”):

- Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Refunding Bonds, Series 2013A Parity-South (the “**Series 2013A Bonds**”). The Series 2013A Bonds are current interest bonds.
- Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2013B Parity-South (the “**Series 2013B Bonds**”). The Series 2013B Bonds are current interest bonds.
- Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2013C Parity-South (the “**Series 2013C Bonds**”). The Series 2013C Bonds are capital appreciation bonds.

Capitalized terms used in this Official Statement and not otherwise defined in this Official Statement have the meanings ascribed to them in the Fiscal Agent Agreement (as defined below), some of which are set forth in APPENDIX A - “SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT - Definitions.”

Authorization for Issuance

The 2013 Bonds are issued pursuant to the legal authority described below.

Mello-Roos Act. The Successor Agency is the successor agency to the former Redevelopment Agency of the City and County of San Francisco (the “**Redevelopment Agency**”). The Successor Agency is a political subdivision of the State of California (the “**State**”) and has the authority to issue the 2013 Bonds for the Community Facilities District pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 et seq. of the California Government Code) (the “**Mello-Roos Act**”).

The Successor Agency succeeded to the obligations of the Redevelopment Agency, including the Fiscal Agent Agreement, pursuant to recent changes in the California Community Redevelopment Law, Health & Safety Code §33000, et. seq. (the “**Community Redevelopment Law**”). See “-Impact of Recent Changes in Redevelopment Law” and “THE SUCCESSOR AGENCY” below.

See “THE BONDS – Authority for Issuance” for a summary of the proceedings pursuant to which the Community Facilities District was formed by the Redevelopment Agency and the Successor Agency is authorized to issue bonds and levy special taxes.

Fiscal Agent Agreement. The 2013 Bonds will be issued pursuant to and secured by a “**Fiscal Agent Agreement**,” which consists of the following:

(i) a Fiscal Agent Agreement, dated as of June 1, 2001, by and between the Successor Agency and Wells Fargo Bank, National Association, as Fiscal Agent (the “**Fiscal Agent**”), pursuant to which the Redevelopment Agency, for and on behalf of the Community Facilities District, issued the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2001-South (consisting of current interest bonds) (the “**2001 Bonds**”),

(ii) as amended and supplemented as by a Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of October 1, 2002, pursuant to which the Redevelopment Agency, for and on behalf of the Community Facilities District, issued the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2002 Parity-South (consisting of current interest bonds) (the “**2002 Bonds**”),

(iii) as amended and supplemented as by a Supplemental Agreement No. 2 to Fiscal Agent Agreement, dated as of July 1, 2005, pursuant to which the Redevelopment Agency, for and on behalf of the Community Facilities District, issued (A) the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2005A Parity-South (consisting of current interest bonds), \$13,880,000 principal of which are currently outstanding, and (B) the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2005B Parity-South (consisting of capital appreciation bonds), \$5,708,938.75 denominational amount of which are currently outstanding (collectively, the “**2005 Bonds**”), and

(iv) as amended and supplemented as by a Supplemental Agreement No. 3 to Fiscal Agent Agreement, dated as of January 1, 2013, pursuant to which the Successor Agency, for and on behalf of the Community Facilities District, is issuing the 2013 Bonds.

The 2005 Bonds, the 2013 Bonds and any additional Parity Bonds that may be issued by the Successor Agency (see “- Parity Bonds” below) are collectively referred to in this Official Statement as the “**Bonds**.”

Successor Agency Commission. Pursuant to a delegation of authority by the Board of Supervisors of the City and County of San Francisco (the “**City**”), which is the legislative body of the Community Facilities District, the Successor Agency Commission approved the issuance of the 2013 Bonds by Resolution No. 4-2012, adopted on December 18, 2012 (the “**Resolution**”).

Approval by Oversight Board. Under the Community Redevelopment Law, as recently amended, many actions of the Successor Agency are subject to approval by an “oversight board.” See “- Impact of Recent Changes in Redevelopment Law” below. The issuance of the 2013 Bonds is subject to approval by the Oversight Board for the Successor Agency; the Oversight Board is scheduled to consider the issuance of the 2013 Bonds on January 14, 2013. The Successor Agency will not issue the 2013 Bonds without the approval of the Oversight Board.

Approval of the Department of Finance. Under the Community Redevelopment Law, as recently amended, many actions of the Successor Agency are subject to review or approval by the California Department of Finance. See “- Impact of Recent Changes in Redevelopment Law” below. The Department of Finance approved the Oversight Board’s resolution approving the issuance of the 2013 Bonds on January 29, 2013.

Impact of Recent Changes in Redevelopment Law

The Community Redevelopment Agency was recently amended to dissolve the Redevelopment Agency and to provide for establishment of the Successor Agency. The Successor Agency does not expect that the recent changes in the Community Redevelopment Law will impact its ability to perform its obligations under the Fiscal Agent Agreement or under the Mello-Roos Act as it relates to the Bonds. The Successor Agency covenants in the Fiscal Agent Agreement to take all actions within its power and otherwise as may be required under the Community Redevelopment Law to cause the Special Taxes to be used to timely pay the scheduled debt service on the 2013 Bonds. The Bonds are not payable from any tax increment revenues generated in the Successor Agency’s Mission Bay South Redevelopment Project Area or any other redevelopment project area.

For more information about the recent changes in the Community Redevelopment Law, see “SUCCESSOR AGENCY – Impact of Recent Changes in Redevelopment Law.”

Use of 2013 Bond Proceeds

Proceeds of the 2013 Bonds will primarily be used to:

- (i) finance a portion of the costs of acquiring public infrastructure improvements (the “**Infrastructure**,” as described in this Official Statement) necessary for the

development and redevelopment of property within the Community Facilities District,

- (ii) provide funds for the current refunding and defeasance of the 2001 Bonds and the 2002 Bonds (collectively, the “**Prior Bonds**”),
- (iii) fund a deposit to a debt service reserve fund for the Bonds, and
- (iv) pay the costs of issuing the 2013 Bonds.

The Community Facilities District

Location. The Community Facilities District includes approximately 62.2 acres that are expected to be subject to the Special Tax and 237 total acres of land.

The Community Facilities District is located in the southern part of the Mission Bay area of the City, adjacent to and on the southwest side of AT&T Park, the waterfront stadium for the San Francisco Giants (which is not in the Community Facilities District). All of the Community Facilities District is located within the Successor Agency’s Mission Bay South Redevelopment Project Area. See “THE MISSION BAY DEVELOPMENT.”

Property Ownership. When the Community Facilities District was formed, all of the non-public use property in the Community Facilities District was owned by Catellus Land and Development Corporation, a Delaware corporation, successor in interest to Catellus Development Corporation, a Delaware corporation (the “**Original Landowner**”).

Since then, almost all of the developable property was transferred to vertical developers and has been partially developed. See “EXISTING AND PROPOSED DEVELOPMENT IN THE COMMUNITY FACILITIES DISTRICT.”

Infrastructure Development. The Original Landowner transferred its obligations to construct or cause the Infrastructure to be constructed to FOCIL-MB, LLC, a Delaware limited liability company (“**FOCIL**”), effective November 22, 2004.

The Successor Agency and FOCIL, as assignee of the Original Landowner, are parties to a Mission Bay South Owner Participation Agreement, dated as of November 16, 1998 (the “**Mission Bay South OPA**”), which provides that FOCIL is responsible for constructing the infrastructure improvements in the area (the “**Infrastructure**”). The Infrastructure consists generally of streets, rail, sewer and storm drainage systems, water systems, street improvements (including freeway ramps or other demolition), traffic signal systems, dry utilities, open space (including, among other items, park improvements and restrooms), and other improvements necessary for redevelopment of property within the Community Facilities District. See “INFRASTRUCTURE DEVELOPMENT IN THE COMMUNITY FACILITIES DISTRICT.”

Under the Mission Bay South OPA and other agreements, the Successor Agency will allow the use of certain of the tax increment generated by the property in the Mission Bay South Redevelopment Project to pay the cost of such improvements. See “INFRASTRUCTURE DEVELOPMENT IN THE COMMUNITY FACILITIES DISTRICT – Tax Increment Contribution to Infrastructure Costs.”

The tax increment generated in the Mission Bay South Redevelopment Project is not available to pay debt service on the 2013 Bonds and is expressly excluded from the definition of Revenues. See "SECURITY FOR THE 2013 BONDS –Net Available Increment Will Not be Used to Pay Debt Service."

Security and Sources of Payment for the 2013 Bonds

Pledge of Revenues. The 2013 Bonds are limited obligations of the Successor Agency on behalf of the Community Facilities District and are payable solely from and secured solely by the Revenues and the amounts in the Bond Fund, the Reserve Fund and the Revenue Fund created under the Fiscal Agent Agreement.

The Fiscal Agent Agreement defines "**Revenues**" as consisting of (i) "Special Tax Revenues" and (ii) any other amounts remitted by the Successor Agency to the Fiscal Agent with written direction to deposit that amount into the Revenue Fund; and the definition expressly excludes amounts in the Administrative Expense Fund or the Improvement Fund established under the Fiscal Agent Agreement, and also expressly excludes any tax increment revenues generated in the Successor Agency's Mission Bay South Redevelopment Project, in which the Community Facilities District lies.

The Fiscal Agent Agreement generally defines "**Special Tax Revenues**" as proceeds of the special tax ("**Special Tax**") received by the Successor Agency from the levy of Special Taxes in the Community Facilities District.

See "SECURITY AND SOURCES OF PAYMENT FOR THE 2013 BONDS - Pledge of Revenues Under the Fiscal Agent Agreement."

Limited Obligation. Neither the faith and credit nor the taxing power of the Successor Agency (other than to the limited extent provided in the Fiscal Agent Agreement), the City, the State or any of its political subdivisions is pledged to the payment of the principal of or the interest on the 2013 Bonds.

The 2013 Bonds are not secured by a lien on, deed of trust on or pledge of any interest in the Infrastructure.

Rate and Method. The Special Tax is to be levied according to the rate and method of apportionment of special taxes for the Community Facilities District (the "**Rate and Method**") and is expected to be collected in the same manner and at the same time as ad valorem real property taxes are collected by the City. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2013 BONDS – Rate and Method" and APPENDIX B – "RATE AND METHOD."

Parity Bonds

Existing Parity Bonds. Following defeasance of the 2001 Bonds and the 2002 Bonds, the 2013 Bonds will be payable from Revenues on a parity basis with the 2005 Bonds; the 2005 Bonds are currently outstanding in the principal amount (not accreted value) of \$19,588,939. As of February 1, 2013, the accreted value of the 2005 Bonds that are capital appreciation bonds will be \$8,758,924.60.

Future Parity Bonds. Pursuant to the proceedings in which the Community Facilities District was formed, the Successor Agency is authorized to issue \$200,000,000 initial principal

amount of bonds for the Community Facilities District. Following issuance of the 2013 Bonds, \$44,564,805 of additional bonds will remain authorized but unissued.

Subject to certain conditions set forth in the Fiscal Agent Agreement, the Successor Agency may from time to time issue the remaining authorized but unissued bonds, and bonds to refund any outstanding bonds issued under the Fiscal Agent Agreement, in each case secured by a pledge of Revenues on a parity basis with the 2005 Bonds and the 2013 Bonds (“**Parity Bonds**”). See “SECURITY AND SOURCES OF PAYMENT FOR THE 2013 BONDS–Parity Bonds.”

Value to Special Tax Bond Burden Ratio

Assessed Value. The fiscal year 2012-13 assessed value of the property in the Community Facilities District that is subject to the levy of the Special Tax is \$1,520,627,735. The Successor Agency did not commission an appraisal of the taxable property in the Community Facilities District. See “THE COMMUNITY FACILITIES DISTRICT – Assessed Value History.”

Special Tax Bond Burden. The sum of the principal amount (not accreted value) of the outstanding 2005 Bonds (\$19,588,939), and the initial principal amount of the 2013 Bonds (\$123,011,256) is \$142,600,195.

Value to Special Tax Bond Burden. Based on the fiscal year 2012-13 assessed value and the Special Tax bond burden, the assessed value-to-Special Tax bond burden ratio for the Community Facilities District is 10.66:1.

The value to Special Tax bond burden ratio shown above is the aggregate ratio for the Community Facilities District and the ratio is not the same, and varies significantly, for each parcel. See “THE COMMUNITY FACILITIES DISTRICT – Value to Special Tax Bond Burden Distribution.”

Risks of Investment

The purchase of the 2013 Bonds involves investment risk, especially because the Community Facilities District is not completely developed. Before purchasing any of the 2013 Bonds, all prospective investors should carefully consider the risks of investment. See “SPECIAL RISK FACTORS” in this Official Statement for a description of some of the risk factors to be considered by prospective investors when investing in the 2013 Bonds.

Tax Matters

In the opinion of Quint & Thimmig LLP, San Francisco, California, Bond Counsel, subject, however, to certain qualifications described in this Official Statement, under existing law, interest on the 2013 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations under the Code but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes.

See "TAX MATTERS" in this Official Statement.

Summary of Information

This Official Statement includes descriptions of the 2013 Bonds, the sources of payment for the 2013 Bonds, the Successor Agency, the Community Facilities District, the Infrastructure, the principal landowners in the Community Facilities District and existing and proposed development within the Community Facilities District. This Official Statement also contains summaries of certain provisions of the Fiscal Agent Agreement and certain other documents.

The descriptions and summaries do not purport to be comprehensive or definitive. All references in this Official Statement to the 2013 Bonds, the Fiscal Agent Agreement and other documents are qualified in their entirety by reference to the form of 2013 Bond included in the Fiscal Agent Agreement and the aforementioned documents, copies of all of which are available for inspection at the corporate trust office of the Fiscal Agent in San Francisco, California.

FINANCING PLAN

Redemption of Prior Bonds

A portion of the proceeds of the sale of the Series 2013A Bonds, together with certain funds held under the Fiscal Agent Agreement with respect to the Prior Bonds, will be deposited in an escrow account (the "**Refunding Fund**") held by Wells Fargo Bank, National Association, as escrow bank (the "**Escrow Bank**") pursuant to an Escrow Agreement, dated as of January 1, 2013, between the Successor Agency and the Escrow Bank and will be applied to the redemption of all of the outstanding Prior Bonds on February 1, 2013. Amounts in the escrow fund will be sufficient, without reinvestment, to fully pay the Prior Bonds on February 1, 2013, at the following redemption price:

2001 Bonds

<u>Payment Date</u>	<u>Called Principal</u>
2/1/13	\$50,535,000

2002 Bonds

<u>Payment Date</u>	<u>Called Principal</u>
2/1/13	\$39,060,000

Upon such irrevocable deposit with the Escrow Bank and in accordance with the Escrow Agreement, the Prior Bonds will be legally defeased and will no longer be entitled to the benefits of, or be secured by, the Fiscal Agent Agreement or any pledge of, or lien on, the Revenues.

Amounts deposited in the Refunding Fund are not in any way available to pay debt service on the 2013 Bonds.

Financing of Additional Infrastructure

A portion of the proceeds of the 2013 Bonds will be used to finance the acquisition of public infrastructure constructed by FOCIL in the Community Facilities District. See "INFRASTRUCTURE DEVELOPMENT IN THE COMMUNITY FACILITIES DISTRICT."

Estimated Sources and Uses of Funds

The sources and uses of funds in connection with the 2013 Bonds are expected to be as follows:

	2013A Bonds	2013B Bonds	2013C Bonds	Total
Principal Amount	\$81,775,000.00	\$19,635,000.00	\$21,601,256.00	\$123,011,256.00
Plus: Net Original Issue Premium	6,250,696.60	408,245.00	-	6,658,941.60
Less: Underwriters' Discount	(636,536.35)	(151,387.80)	(174,023.87)	(961,948.02)
Amounts relating to the Prior Bonds	<u>12,322,679.67</u>	<u>-</u>	<u>-</u>	<u>12,322,679.67</u>
Total Sources	\$99,711,839.92	\$19,891,857.20	\$21,427,232.13	\$141,030,929.25
Deposit to 2013 Subaccount of Bond Proceeds				
Account of Improvement Fund	-	\$17,844,813.00	\$19,256,769.64	\$37,101,582.64
Deposit to Refunding Fund ⁽¹⁾	\$92,339,287.50	-	-	92,339,287.50
Deposit to 2013 Subaccount of the Reserve Fund ⁽²⁾	7,057,239.59	1,971,334.42	2,087,171.08	11,115,745.09
Deposit to 2013 Costs of Issuance Fund ⁽³⁾	<u>315,312.83</u>	<u>75,709.78</u>	<u>83,291.41</u>	<u>474,314.02</u>
Total Uses	\$99,711,839.92	\$19,891,857.20	\$21,427,232.13	\$141,030,929.25

(1) See "—Redemption of Prior Bonds."

(2) See "SECURITY FOR THE 2013 BONDS - Reserve Fund."

(3) Costs of issuance include, without limitation, Fiscal Agent fees and expenses; Financial Advisor fees and expenses; Bond Counsel, Disclosure Counsel and other legal fees; Escrow Bank fees and expenses; and printing costs.

Use of Capital Appreciation Bonds

The Series 2013C Bonds are capital appreciation bonds. According to the Municipal Securities Rulemaking Board, a capital appreciation bond is a "municipal security on which the investment return on an initial principal amount is reinvested at a stated compounded rate until maturity, at which time the investor receives a single payment (the 'maturity value') representing both the initial principal amount and the total investment return."

California State Treasurer Bill Lockyer recently expressed concern about the use of capital appreciation bonds in connection with a number of school district financings. His comments addressed a number of issues including the lack of any optional redemption prior to the final maturity of the bonds, the fact that total debt service to be paid by the school districts was a multiple of the amount of bond proceeds received by the school districts and the fact that use of capital appreciation bonds increases the amount of interest paid on the amount borrowed relative to current interest bonds.

However, the Successor Agency believes it is reasonable to use capital appreciation bonds as part of the financing program for the Community Facilities District. As a result of

issuing capital appreciation bonds, the Successor Agency will be able to use 2013 Bond proceeds to pay for the necessary public infrastructure earlier than it would if it only sold current interest bonds. In addition, as a result of the Successor Agency's use of capital appreciation bonds, the ultimate end-users of the private developments will be responsible for paying for more of the debt service on the 2013 Bonds than they would if the Successor Agency only issued current interest bonds. Moreover, the outstanding 2005 Bonds include both current interest bonds and capital appreciation bonds. Furthermore, because the 2013 Bonds are payable only from Special Taxes levied in the Community Facilities District and not from tax increment generated in the Mission Bay South Redevelopment Project Area, the use of capital appreciation bonds will not adversely any other governmental agencies.

The Successor Agency does not believe the use of capital appreciation bonds will adversely impact its ability to pay debt service on the Bonds, including the 2013 Bonds.

Debt Service Schedule

The following table presents the debt service schedule for the 2005 Bonds and the 2013 Bonds, assuming the 2005 Bonds and the 2013 Bonds are not redeemed prior to maturity other than as a result of a mandatory sinking fund redemption:

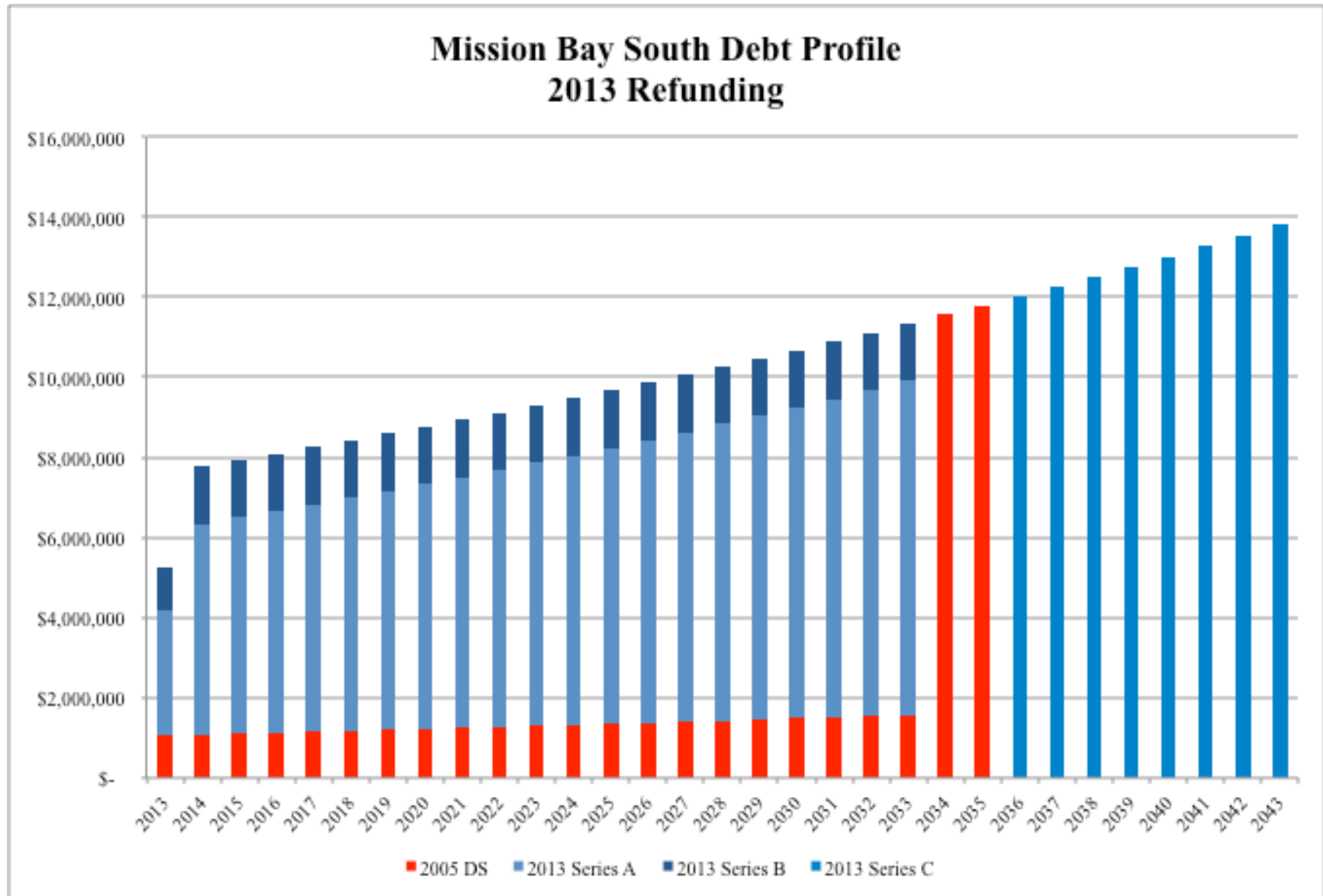
TABLE 1
Debt Service Schedules
2005 Bonds and 2013 Bonds

Year	2005 Bonds	2005 Bonds	2005 Bonds	2013 Bonds	2013 Bonds	2013 Bonds	Grand
Ending	Principal	Interest ⁽¹⁾	Total	Principal	Interest ⁽¹⁾	Total	Total
Aug. 1							
2013	\$ 350,000.00	\$ 354,478.75 ⁽²⁾	\$ 704,478.75	\$ 1,835,000.00	\$2,342,771.88	\$ 4,177,771.88	\$ 4,882,250.63
2014	385,000.00	693,907.50	1,078,907.50	2,050,000.00	4,648,843.76	6,698,843.76	7,777,751.26
2015	257,924.00	844,043.50	1,101,967.50	2,225,000.00	4,607,843.76	6,832,843.76	7,934,811.26
2016	255,658.50	871,309.00	1,126,967.50	2,415,000.00	4,548,143.76	6,963,143.76	8,090,111.26
2017	249,241.00	897,726.50	1,146,967.50	2,625,000.00	4,482,843.76	7,107,843.76	8,254,811.26
2018	245,866.50	926,101.00	1,171,967.50	2,860,000.00	4,385,143.76	7,245,143.76	8,417,111.26
2019	239,778.85	952,188.65	1,191,967.50	3,140,000.00	4,257,143.76	7,397,143.76	8,589,111.26
2020	234,619.20	982,348.30	1,216,967.50	3,425,000.00	4,115,743.76	7,540,743.76	8,757,711.26
2021	229,700.75	1,012,266.75	1,241,967.50	3,730,000.00	3,960,493.76	7,690,493.76	8,932,461.26
2022	224,890.30	1,042,077.20	1,266,967.50	4,060,000.00	3,788,343.76	7,848,343.76	9,115,311.26
2023	219,567.30	1,072,400.20	1,291,967.50	4,405,000.00	3,598,168.76	8,003,168.76	9,295,136.26
2024	213,811.20	1,103,156.30	1,316,967.50	4,775,000.00	3,386,718.76	8,161,718.76	9,478,686.26
2025	209,247.70	1,137,719.80	1,346,967.50	5,165,000.00	3,157,118.76	8,322,118.76	9,669,086.26
2026	204,001.60	1,169,529.90	1,373,531.50	5,580,000.00	2,908,368.76	8,488,368.76	9,861,900.26
2027	199,365.20	1,199,305.70	1,398,670.90	6,025,000.00	2,639,218.76	8,664,218.76	10,062,889.66
2028	195,887.90	1,232,867.65	1,428,755.55	6,495,000.00	2,337,968.76	8,832,968.76	10,261,724.31
2029	191,251.50	1,263,880.75	1,455,132.25	7,000,000.00	2,013,218.76	9,013,218.76	10,468,351.01
2030	187,774.20	1,299,193.30	1,486,967.50	7,525,000.00	1,663,218.76	9,188,218.76	10,675,186.26
2031	180,930.00	1,334,007.50	1,514,937.50	8,090,000.00	1,286,968.76	9,376,968.76	10,891,906.26
2032	176,406.75	1,367,170.00	1,543,576.75	8,685,000.00	882,468.76	9,567,468.76	11,111,045.51
2033	172,788.15	1,404,524.70	1,577,312.85	9,300,000.00	456,437.50	9,756,437.50	11,333,750.35
2034	3,550,228.15	8,011,739.35	11,561,967.50	-	-	-	11,561,967.50
2035	11,215,000.00	577,572.50	11,792,572.50	-	-	-	11,792,572.50
2036	-	-	-	3,166,062.25	8,858,937.75	12,025,000.00	12,025,000.00
2037	-	-	-	3,007,745.95	9,257,254.05	12,265,000.00	12,265,000.00
2038	-	-	-	2,854,031.40	9,655,968.60	12,510,000.00	12,510,000.00
2039	-	-	-	2,712,870.00	10,050,873.75	12,763,743.75	12,763,743.75
2040	-	-	-	2,609,402.40	10,406,434.50	13,015,836.90	13,015,836.90
2041	-	-	-	2,510,982.00	10,767,641.25	13,278,623.25	13,278,623.25
2042	-	-	-	2,415,926.40	11,128,856.40	13,544,782.80	13,544,782.80
2043	-	-	-	2,324,235.60	11,490,764.40	13,815,000.00	13,815,000.00
Total	\$19,588,938.75			\$123,011,256.00			

(1) Includes accreted interest on capital appreciation bonds.

(2) Represents a half-year's interest.

Set forth below is a graphic representation of the scheduled debt service for the 2005 Bonds and 2013 Bonds. The debt service shown in 2013 represents a half-year's interest.



Debt Service Coverage

The following table sets forth the debt service coverage on the 2013 Bonds and the 2005 Bonds provided by the Special Tax Revenues, if Special Taxes were levied at their maximum amounts authorized under the Rate and Method. Although the Fiscal Agent Agreement allows for moneys in the Revenue Fund held by the Fiscal Agent, which will primarily consist of Special Tax Revenues, to be transferred from time to time by the Fiscal Agent to the Administrative Expense Fund as necessary to pay Administrative Expenses (which will decrease Revenues available to pay debt service on the Bonds), any such transfers may not exceed, in any Fiscal Year, the amount, if any, included in the Special Tax levy for Administrative Expenses for such Fiscal Year.

TABLE 2
Debt Service Coverage

Year Ending August 1	Maximum Special Tax Revenues ⁽¹⁾	Bonds Debt Service ⁽²⁾	Debt Service Coverage ⁽³⁾⁽⁴⁾
2013	\$9,507,508	\$4,882,251	194.74%
2014	9,697,658	7,777,751	124.68
2015 ⁽¹⁾	9,354,610	7,934,811	117.89
2016	9,541,702	8,090,111	117.94
2017	9,732,536	8,254,811	117.90
2018	9,927,187	8,417,111	117.94
2019	10,125,731	8,589,111	117.89
2020	10,328,245	8,757,711	117.93
2021	10,534,810	8,932,461	117.94
2022	10,745,507	9,115,311	117.88
2023	10,960,417	9,295,136	117.92
2024	11,179,625	9,478,686	117.94
2025	11,403,218	9,669,086	117.93
2026	11,631,282	9,861,900	117.94
2027	11,863,908	10,062,890	117.90
2028	12,101,186	10,261,724	117.93
2029	12,343,209	10,468,351	117.91
2030	12,590,074	10,675,186	117.94
2031	12,841,875	10,891,906	117.90
2032	13,098,713	11,111,046	117.89
2033	13,360,687	11,333,750	117.88
2034	13,627,901	11,561,968	117.87
2035	13,900,459	11,792,573	117.87
2036	14,178,468	12,025,000	117.91
2037	14,462,037	12,265,000	117.91
2038	14,751,278	12,510,000	117.92
2039	15,046,303	12,763,744	117.88
2040	15,347,229	13,015,837	117.91
2041	15,654,174	13,278,623	117.89
2042	15,967,258	13,544,783	117.88
2043	16,286,603	13,815,000	117.89

- (1) In fiscal year 2012-13, there were 65.8 gross acres of taxable property in the Community Facilities District, including 28.57 gross acres of Undeveloped Property. The Successor Agency has assumed that, at build-out, there will be 62.2 acres of Taxable Property (approximately 3.6 fewer acres of Taxable Property); this assumes that the 28.57 gross acres of Undeveloped Property in fiscal year 2012-13 will result in an estimated 25.28 net acres when the properties are fully developed. For purposes of this table only, full build-out is assumed to occur during fiscal year 2013-14 (i.e., in time for the fiscal year 2014-15 levy).
- (2) Reflects debt service on the 2005 Bonds and the 2013 Bonds.
- (3) The amount of Special Tax Revenues received by the Successor Agency and available to pay debt service on the Bonds may be decreased to pay Administrative Expenses as described in the paragraph preceding this table.
- (4) Coverage may be diluted by the issuance of additional Parity Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2013 BONDS - Parity Bonds."

Source: Goodwin Consulting Group.

THE 2013 BONDS

Authority for Issuance

Community Facilities District. As required by the Mello-Roos Act, the Redevelopment Agency previously took the following actions to establish the Community Facilities District and authorize issuance of the 2013 Bonds:

Resolutions of Intention: On February 22, 2000, the Redevelopment Agency adopted Resolution No. 27-2000 (the “**Resolution of Intention**”) and Resolution No. 28-2000, stating its intention to establish the Community Facilities District, to authorize the levy of a special tax therein and to issue bonds for the Community Facilities District in an amount not to exceed \$200 million.

Resolution of Formation; Resolution of Necessity: Immediately following a noticed public hearing, on March 28, 2000, the Redevelopment Agency adopted (i) Resolution No. 45-2000 (the “**Resolution of Formation**”), which established the Community Facilities District and authorized the levy of a special tax within the Community Facilities District and (ii) Resolution No. 46-2000 declaring the necessity to incur bonded indebtedness in an aggregate amount not to exceed \$200 million within the Community Facilities District.

Resolution Calling Election: On March 28, 2000, the Redevelopment Agency adopted Resolution No. 47-2000 calling for an election by the then-landowners within the Community Facilities District for the same date on the issues of the levy of the Special Tax, the incurring of bonded indebtedness and the establishment of an appropriations limit.

Landowner Election and Declaration of Results: On March 28 2000, an election was held within the Community Facilities District in which the then-qualified electors within the Community Facilities District approved a ballot proposition authorizing the issuance of up to \$200 million in bonds, the levy of a special tax and the establishment of an appropriations limit for the Community Facilities District. On March 28 2000, the Redevelopment Agency adopted Resolution No. 48-2000 under which the Redevelopment Agency approved the canvass of the votes and declared the Community Facilities District to be fully formed with the authority to levy the Special Taxes, to incur the bonded indebtedness and to have the established appropriations limit, all with respect to the Community Facilities District.

Special Tax Lien: A Notice of Special Tax Lien was recorded in the real property records of the City and County of San Francisco on April 6, 2000, as document number 2000G756614.

Ordinance Levying Special Taxes: On March 28, 2000, the Redevelopment Agency introduced Ordinance No. 1-2000 levying the Special Tax within the Communities Facilities District (the “**Ordinance**”); the Ordinance was adopted by the Redevelopment Agency on April 4, 2000.

2013 Bonds. The 2013 Bonds are issued by the Successor Agency, for and on behalf of the Community Facilities District, pursuant to the Mello-Roos Act, the Fiscal Agent Agreement, applicable provisions of the Community Redevelopment Law, and the Resolution. See

“INTRODUCTION – Authorization for Issuance” for information about the approval of the issuance of the 2013 Bonds by the Oversight Board and the approval by the California Department of Finance.

Description of the 2013 Bonds

Original Delivery. The 2013 Bonds will be dated their date of delivery (the “**Dated Date**”) and will be delivered through the facilities of DTC in book-entry only form. The 2013 Bonds shall be issued as fully registered bonds without coupons.

Terms Applicable to All 2013 Bonds. The 2013 Bonds will each be dated the date of their original delivery, and will be issued in fully registered form, without coupons, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“**DTC**”). DTC will act as securities depository of the 2013 Bonds. Ownership interests in the 2013 Bonds may be purchased in book-entry form only. Purchasers will not receive securities certificates representing their interests in the 2013 Bonds purchased. Payments of principal of and interest on the 2013 Bonds will be paid by the Fiscal Agent to DTC, which is obligated in turn to remit such principal and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the 2013 Bonds. See APPENDIX E– “DTC AND THE BOOK-ENTRY SYSTEM.”

Payment of interest on the Series 2013A Bonds and the 2013B Bonds due on or before the maturity or prior redemption thereof shall be made to the person whose name appears in the Bond registration books kept by the Fiscal Agent as the registered owner thereof as of the close of business on the Record Date immediately preceding an Interest Payment Date, such interest to be paid by check mailed on the Interest Payment Date by first class mail to such registered owner at the address as it appears in such books except that in the case of an Owner of \$1,000,000 or greater in aggregate principal amount of Outstanding Bonds, such payment shall, at such Owner’s written request, provided by such Owner prior to the 15th day of the month preceding such Interest Payment Date, be made by wire transfer of immediately available funds in accordance with written instructions provided by such Owner; any such written request shall remain in effect until rescinded in writing by the Owner.

As long as DTC is the registered owner of the 2013 Bonds, all references in this Official Statement to “owners” or “Bondowners” is a reference to DTC and not to the beneficial owners of the Bonds.

“**Record Date**” is defined in the Fiscal Agent Agreement as the 15th day of the month next preceding the month of the applicable Interest Payment Date, whether or not such day is a Business Day.

Current Interest Bonds. The Series 2013A Bonds and the Series 2013B Bonds (collectively, the “**Current Interest Bonds**”) will be issued only in fully registered form, in denominations of \$5,000 and any integral multiple thereof, and will mature on the dates and in the principal amounts and bear interest at the rates as set forth on the inside cover of this Official Statement.

Interest on the Current Interest Bonds is payable semiannually on February 1 and August 1 of each year commencing August 1, 2013 (each, an “**Interest Payment Date**”).

Capital Appreciation Bonds. No payments with respect to the Series 2013C Bonds (the “**Capital Appreciation Bonds**”) will be made prior to their respective maturity dates or earlier dates of redemption. Each Capital Appreciation Bond will be issued in an amount (“**Denominational Amount**”) that has an Accreted Value on its stated maturity date equal to \$5,000 or an integral multiple thereof (the “**Maturity Amount**”).

The Capital Appreciation Bonds of each maturity will accrete in value from their date of issuance at their stated rate of interest and will mature on dates, all as indicated on the inside cover of this Official Statement, compounded semi-annually on February 1 and August 1 of each year, commencing August 1, 2013, until maturity. Such compounding will be calculated on the basis of a 360-day year comprised of twelve 30-day months, and the Accreted Value shall be payable only at maturity or earlier dates of redemption. The Accreted Value on any date other than February 1 and August 1 of any year shall be calculated as described in the Fiscal Agent Agreement. See APPENDIX F – “TABLE OF ACCRETED VALUES” for the Accreted Values as of each February 1 and August 1 for each Maturity Amount of each maturity of the Capital Appreciation Bonds. *The Table of Accreted Values is presented for illustrative purposes only. The Accreted Values determined in accordance with the terms of the Fiscal Agent Agreement will control over any different Accreted Value determined by reference to Appendix F.*

Redemption of the 2013 Bonds

Optional Redemption. The Series 2013A Bonds maturing on or after August 1, 2023, are subject to optional redemption prior to their stated maturity on any date on or after August 1, 2022, as a whole or in part, pro rata among maturities and by lot within a maturity, at a redemption price equal to the principal amount of the Series 2013A Bonds called for redemption, without premium, together with accrued interest thereon to the date fixed for redemption.

The Series 2013B Bonds maturing on or after August 1, 2023, are subject to optional redemption prior to their stated maturity on any date on or after August 1, 2022, as a whole or in part, pro rata among maturities and by lot within a maturity, at a redemption price equal to the principal amount of the Series 2013B Bonds called for redemption, without premium, together with accrued interest thereon to the date fixed for redemption.

The Series 2013C Bonds maturing on or after August 1, 2023, are subject to optional redemption prior to their stated maturity on any date on or after August 1, 2022, as a whole or in part, pro rata among maturities and by lot within a maturity, at a redemption price equal to the Accreted Value of the Series 2013C Bonds called for redemption, without premium, together with accrued interest thereon to the date fixed for redemption.

Mandatory Sinking Payment Redemption. The 2013 Bonds are subject to mandatory sinking fund redemption as described below.

Series 2013A Bonds. The Series 2013A Bonds maturing on August 1, 2033 are subject to mandatory sinking payment redemption in part on August 1, 2032 and August 1, 2033, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

2033 Term Bonds

Redemption Date (August 1)	Sinking Payments
2032	\$7,370,000
2033 (Maturity)	7,930,000

Series 2013B Bonds. The Series 2013B Bonds maturing on August 1, 2033 are subject to mandatory sinking payment redemption in part on August 1, 2032 and August 1, 2033, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

2033 Term Bonds

Redemption Date (August 1)	Sinking Payments
2032	\$1,315,000
2033 (Maturity)	1,370,000

Series 2013C Bonds. The Series 2013C Bonds maturing on August 1, 2043 are subject to mandatory sinking payment redemption in part on August 1, 2039 and on each August 1 thereafter to maturity, by lot, at a redemption price equal to the Accreted Value as of the redemption date of the Series 2013C Bonds to be redeemed, without premium, from sinking payments as follows:

2043 Term Bonds

Redemption Date (August 1)	Sinking Payments
2039	\$2,712,870.00
2040	2,609,402.40
2041	2,510,982.00
2042	2,415,926.40
2043 (Maturity)	2,324,235.60

The amounts in the foregoing tables will be reduced to the extent practicable so as to maintain the same debt service profile on the Bonds as in effect prior to the redemption as a result of any prior partial redemption of the 2013 Bonds.

Purchase In Lieu of Redemption. In lieu of a redemption of the 2013 Bonds, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for the purchase of Outstanding

2013 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 Series 2013A Bonds or Series 2013B 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 Series 2013A Bonds or Series 2013B Bonds, as applicable, were to be redeemed in accordance with the Fiscal Agent Agreement, and in no event may Series 2013C Bonds be purchased at a price in excess of the Accreted Value thereof as of the next succeeding Interest Payment Date and any premium which would otherwise be due if such Series 2013C Bonds were to be redeemed in accordance with the Fiscal Agent Agreement.

Notice of Redemption. The Fiscal Agent shall give notice of any redemption by first class mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption, to the Securities Depositories, to one or more Information Services, and to the respective registered Owners of any 2013 Bonds designated for redemption, at their addresses appearing on the Bond registration books in the 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 2013 Bonds.

In the case of an optional redemption, the notice of redemption will state that the redemption is conditioned upon receipt by the Fiscal Agent of sufficient moneys to redeem the 2013 Bonds to be optionally redeemed on the anticipated redemption date, and that the optional redemption of the 2013 Bonds will not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the 2013 Bonds to be optionally redeemed have not been deposited with the Fiscal Agent. In the event that the Fiscal Agent does not receive sufficient funds by the scheduled optional redemption date to redeem the 2013 Bonds to be optionally redeemed, the Fiscal Agent will send written notice to the Successor Agency, to the owners of the 2013 Bonds to be optionally redeemed, to the Securities Depositories and to one or more of the Information Services to the effect that the redemption did not occur as anticipated, and the 2013 Bonds for which notice of optional redemption was given will remain Outstanding for purposes of the Fiscal Agent Agreement.

So long as the book-entry system is in effect with respect to the 2013 Bonds, all notices of redemption will be mailed to DTC (or its nominee), as the registered owner of the 2013 Bonds. See APPENDIX E—"DTC AND THE BOOK-ENTRY SYSTEM."

Selection of 2013 Bonds for Redemption. Whenever provision is made for the redemption of less than all of the 2013 Bonds or any given portion thereof, the Fiscal Agent shall select the 2013 Bonds to be redeemed, from all 2013 Bonds or such given portion thereof not previously called for redemption, among maturities as directed in writing by the Finance Director (who shall specify 2013 Bonds to be redeemed so as to maintain, as much as practicable, the same debt service profile for the Bonds as in effect prior to such redemption) and by lot within a maturity, such selection within a maturity to be done in any manner which the Fiscal Agent deems appropriate.

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 2013 Bonds so called for redemption shall have been deposited in the Bond Fund, the 2013 Bonds called for redemption will cease to be entitled to any benefit under the Fiscal Agent Agreement other than

the right to receive payment of the redemption price, and no interest will accrue or compound, as applicable, thereon on or after the redemption date.

SECURITY AND SOURCES OF PAYMENT FOR THE 2013 BONDS

General

The 2013 Bonds are limited obligations of the Successor Agency on behalf of the Community Facilities District and are payable solely from and secured solely by the Revenues and the amounts in the Bond Fund, the Reserve Fund and the Revenue Fund created under the Fiscal Agent Agreement.

Revenues primarily consist of the proceeds of the Special Taxes received by the Successor Agency, as described more completely below

The 2013 Bonds are payable from Revenues on a parity basis with the outstanding 2005 Bonds. Additional bonds may be issued on a parity with the 2005 Bonds and the 2013 Bonds, subject to the conditions described in this Official Statement. See “- Parity Bonds” below.

Pledge of Revenues Under the Fiscal Agent Agreement

The Bonds, including the 2013 Bonds, are limited obligations of the Successor Agency payable solely from, and equally and ratably secured by a pledge of “**Revenues**” which are defined in the Fiscal Agent Agreement as all amounts pledged thereunder to the payment of principal of, premium, if any, and interest on the Bonds, consisting of the following:

- (i) Special Tax Revenues.
- (ii) Any other amounts remitted by the Successor Agency to the Fiscal Agent with written directions to deposit the same to the Revenue Fund;

but such term does not include amounts deposited to the Administrative Expense Fund or the Improvement Fund, or any earnings thereon, or any tax increment generated in the Successor Agency’s Mission Bay South Redevelopment Project Area or any other redevelopment project area.

Special Tax Revenues

“**Special Tax Revenues**” is defined in the Fiscal Agent Agreement as the proceeds of the Special Taxes received by the Successor Agency, including any scheduled payments and any prepayments thereof, 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. “Special Tax Revenues” does not include any penalties collected in connection with delinquent Special Taxes, which may be forgiven or disposed of by the Successor Agency in its discretion and, if collected, shall be used in a manner consistent with the Mello-Roos Act.

Special Taxes

In accordance with the provisions of the Mello-Roos Act, the Rate and Method was approved in 2000 by the then-qualified electors of the Community Facilities District and is set forth in its entirety in Appendix B.

Under the Fiscal Agent Agreement, the Successor Agency is obligated to annually fix and levy the amount of Special Taxes within the Community Facilities District required for the timely payment of principal of and interest on the outstanding Bonds (including the 2005 Bonds, the 2013 Bonds and any Parity Bonds) becoming due and payable in each succeeding calendar year, including any necessary replenishment of the Reserve Fund to the amount of the then-Reserve Requirement and an amount estimated to be sufficient to pay the Administrative Expenses, taking into account any prepayments of Special Taxes previously received by the Successor Agency. The Special Taxes levied on any parcel of **"Taxable Property"** (as defined in "—Rate and Method") may not exceed the maximum amount as provided in the Rate and Method.

The Special Taxes are payable and are currently being collected in the same manner, at the same time and in the same installment as ad valorem taxes on property levied on the secured tax roll are payable, and pursuant to the Mello-Roos Act have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the taxes levied on the tax roll. The Fiscal Agent Agreement, however, allows for the Special Taxes to be levied in certain circumstances by direct billing by the Successor Agency of the affected parcels of Taxable Property.

Although the Special Taxes will constitute a lien on taxed parcels within the Community Facilities District, they do not constitute a personal indebtedness of the owners of the property within the Community Facilities District. Pursuant to Section 53356.1 of the Mello-Roos Act, in the event of any delinquency in the payment of the Special Tax on a parcel of Taxable Property, the Successor Agency may order the institution of a superior court action to foreclose the lien on the parcel of Taxable Property within specified time limits. In such an action, the real property subject to the unpaid amount of the Special Tax lien may be sold at judicial foreclosure sale. The Mello-Roos Act provides that the Special Taxes are secured by a continuing lien on the Taxable Property that is subject to the same lien priority in the case of delinquency as ad valorem property taxes. See "—Rate and Method" and "—Covenant for Superior Court Foreclosure."

Other liens for taxes and assessments may already exist on the Taxable Property located within the Community Facilities District and others could come into existence in the future. See "SPECIAL RISK FACTORS—Parity Taxes and Special Assessments." There is no assurance that any owner of a parcel of Taxable Property subject to the Special Tax levy will be financially able to pay the annual Special Taxes or that it will pay such taxes even if financially able to do so. See "SPECIAL RISK FACTORS."

For historic information regarding assessed valuations and the payment of, or delinquencies with respect to, Special Taxes in the Community Facilities District, see "THE COMMUNITY FACILITIES DISTRICT."

Rate and Method

All capitalized terms used in this section, unless noted otherwise, have the meanings prescribed in the Rate and Method. See APPENDIX B – “RATE AND METHOD.”

The Special Tax authorized under the Mello-Roos Act applicable to Taxable Property within the Community Facilities District will be levied and collected according to the tax liability determined by the Successor Agency according to the Rate and Method set forth in APPENDIX B– “RATE AND METHOD.”

Each year, the Successor Agency will determine the annual Special Tax Requirement for the Community Facilities District to be collected from Taxable Property for the upcoming fiscal year. The “**Special Tax Requirement**” includes the amounts required for the following:

- (i) to pay principal and interest on the Bonds due in the calendar year which begins in such Fiscal Year,
- (ii) to create or replenish reserve funds for the Bonds,
- (iii) to cure any delinquencies in the payment of Special Taxes which have occurred or (based on delinquency rates in prior years) may be expected to occur in the Fiscal Year in which the Special Tax will be collected,
- (iv) to pay Administrative Expenses,
- (v) to pay construction and/or acquisition costs and expenses of Infrastructure the Successor Agency expects to fund from Special Tax proceeds in such Fiscal Year,
- (vi) to pay costs associated with the release of funds from an escrow account, if any,
- (vii) to pay for a letter of credit, bond insurance or any other type of credit enhancement for the Bonds, and
- (viii) to pay arbitrage or other rebate payments.

The Special Tax Requirement may be reduced in any Fiscal Year, as determined by the Administrator, by taking into account money available from one or more of the following sources:

- (i) interest earnings on or surplus balances in the Community Facilities District funds and accounts that are available to be applied in such Fiscal Year to the payment of Bond debt service under the provisions of the Fiscal Agent Agreement,
- (ii) amounts in any capitalized interest account reasonably expected to be available in such Fiscal Year to pay debt service on the Bonds,
- (iii) Net Available Increment (as defined in the Mission Bay South Owner Participation Agreement and described under the caption “INFRASTRUCTURE DEVELOPMENT IN THE COMMUNITY FACILITIES DISTRICT – Tax Increment Contribution to Infrastructure Costs” below)¹, and
- (iv) any other funds available to apply against the Special Tax Requirement as determined by the Successor Agency.

The annual Special Tax Requirement is the basis for the amount of Special Tax to be levied on Taxable Property within the Community Facilities District for each fiscal year. In no

¹ Pursuant to the Fiscal Agent Agreement, none of the Bonds are payable from or secured by a pledge of Net Available Increment.

event may the Successor Agency levy a Special Tax on any parcel of Taxable Property in any year above the Maximum Special Tax identified for the respective parcel in the Rate and Method.

Allocation of Maximum Special Tax. After the Successor Agency has calculated the annual Special Tax Requirement for a fiscal year, then the Successor Agency will levy the Special Tax as follows:

First: The Special Tax shall be levied proportionately on each Assessor's Parcel of For-Sale Residential Property up to 100% of the Maximum Special Tax for each For-Sale Residential Unit;

Second: If additional monies are needed to pay the Special Tax Requirement after the first step has been completed, the Special Tax will be levied proportionately on each Assessor's Parcel of Developed Property other than For-Sale Residential Property up to 100% of the applicable Maximum Special Tax for each such Parcel of Developed Property;

Third: If additional monies are needed to pay the Special Tax Requirement after the first two steps have been completed, the Special Tax will be levied proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for Undeveloped Property.

No Special Taxes can be levied on any parcel after such parcel becomes "**Exempt Land**," which is defined in the Rate and Method as any real property within the boundaries of the Community Facilities District that is:

- (i) owned by a governmental agency as of the date of adoption of the Resolution of Formation (but not after the date, if any, such land is conveyed to a nongovernmental entity),
- (ii) from and after the date conveyed to a governmental agency under the terms of the Mission Bay South Owner Participation Agreement as in effect on the date the Resolution of Formation was adopted by the Commission,
- (iii) from and after the date conveyed to a governmental agency under the terms of the Land Transfer Agreements as in effect on the date the Resolution of Formation was adopted by the Commission,
- (iv) which is Agency Affordable Housing Parcels (as defined in the Mission Bay South Owner Participation Agreement as in effect on the date the Resolution of Formation was adopted by the Commission) from and after the date conveyed to the Successor Agency or a Qualified Housing Developer (as defined in the Mission Bay South Owner Participation Agreement as in effect on the date the Resolution of Formation was adopted by the Commission),
- (v) which is a VARA Corridor,
- (vi) which makes up the strip of land under Interstate 280 that: (1) is owned by Catellus, (2) has a separate Assessor's Parcel number assigned to it, and (3) on the date the Resolution of Formation was adopted, was part of Assessor's Parcel number 8709-01 or 8723-01, or
- (vii) which is the subject of a public trust or other permanent easement to a public agency making impractical its use for other than the purposes set forth in the easement.

Any land described in clauses (ii), (iii), (iv), or (vii) which is or becomes Exempt Land will remain Exempt Land.

Termination of the Special Tax. The Special Tax may be levied and collected until principal and interest on the Bonds have been repaid and the Infrastructure has been completed and accepted by the applicable governmental agency and paid for with proceeds of the Bonds, Special Taxes, Net Available Increment or bonds secured by Net Available Increment (as defined in the Mission Bay South Owner Participation Agreement), but in any event not later than the year 2050.

Prepayment of the Special Tax. The Rate and Method provides that landowners may permanently satisfy all or a portion of the Special Tax by a cash settlement with the Successor Agency. The amount of a full or partial prepayment is to be calculated according to the methodology set forth in the Rate and Method, and is based on determining a benefit share of anticipated costs relating to the outstanding Bonds and future infrastructure costs, fees, call premiums, and expenses incurred by the Successor Agency, less a “**Reserve Fund Credit**,” as defined in the Rate and Method. See APPENDIX B – “RATE AND METHOD.” Although there have been no prepayments of Special Taxes in the Community Facilities District to date, the Successor Agency can provide no assurance that prepayments will not occur in the future that could result in an optional redemption of the Bonds prior to their scheduled maturity.

Proceeds of any Special Tax prepayments will be used to redeem Bonds, including the 2013 Bonds. See “THE 2013 BONDS – Redemption of the 2013 Bonds – *Optional Redemption*” above.

Reserve Fund

Creation. A Reserve Fund (the “**Reserve Fund**”) was established under the original Fiscal Agent Agreement in connection with the issuance of the 2001 Bonds, and is held by the Fiscal Agent.

A portion of the proceeds of the 2001 Bonds, the 2002 Bonds and the 2005 Bonds were deposited in the Reserve Fund.

Reserve Requirement. Upon delivery of the 2013 Bonds, a portion of the amount in the Reserve Fund will be used to defease and redeem the 2001 Bonds and the 2002 Bonds, and a portion of the proceeds of the 2013 Bonds will be deposited into the Reserve Fund such that the aggregate amount in the Reserve Fund equals the “**Reserve Requirement**” in effect as of the date of issuance of the 2013 Bonds.

Reserve Requirement is defined in the Fiscal Agent Agreement to mean, as of any date of calculation an amount equal to the least of (i) the then Maximum Annual Debt Service on the Bonds, (ii) 125% of the then average Annual Debt Service on the Bonds, or (iii) 10% of the initial principal amount of the Bonds issued under the Fiscal Agent Agreement; provided that, there shall be excluded from the computations contemplated by the preceding clauses (i), (ii) and (iii) Bonds in a principal amount equal to the amount, if any, then on deposit in an escrow fund established with the proceeds of Parity Bonds with amounts therein subject to release as described in the Fiscal Agent Agreement.

As of the date of delivery of the 2013 Bonds, the Reserve Requirement will be \$13,132,525.86.

Use of Reserve Fund. Moneys in the Reserve Fund will be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds as a reserve for the payment of principal of, and interest and any premium on, the Bonds and will be subject to a lien in favor of the Owners of the Bonds.

Except as otherwise allowed in the Fiscal Agent Agreement, amounts deposited in the Reserve Fund will 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, as described below, for the purpose of redeeming Bonds from amounts in the Bond Fund.

Transfer of Excess of Reserve Requirement. Whenever, on the Business Day prior to 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 will transfer an amount equal to the excess from the Reserve Fund to the following funds in the following order of priority: (i) so long as the Improvement Fund has not theretofore been closed, to the Bond Proceeds Account of the Improvement Fund to be used for the purposes thereof, and (ii) if the Improvement Fund is then closed, to the Bond Fund to be used for the payment of interest on the Bonds on the next Interest Payment Date.

Transfer When Balance Exceeds Outstanding Bonds. Whenever the balance in the Reserve Fund equals or 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 will, upon the written direction of the Finance Director, transfer the amount in the Reserve Fund to the Bond Fund to be applied in accordance with the Fiscal Agent Agreement, on the next succeeding Interest Payment Date, to the payment and redemption of all of the outstanding Bonds. In the event that the amount 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 will be transferred to the Successor Agency as provided in the Fiscal Agent Agreement.

Transfer Upon Special Tax Prepayment. Whenever Special Taxes are prepaid and Bonds are to be redeemed with the proceeds of such prepayment, 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) will 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.

Transfer to Pay Rebate. Amounts in the Reserve Fund may at any time be used, at the Written Direction of an Authorized Officer, for the purpose of paying any federal rebate liability with respect to the Bonds.

Covenant for Superior Court Foreclosure

Foreclosure Under the Mello-Roos Act. Pursuant to Section 53356.1 of the Mello-Roos Act, in the event of any delinquency in the payment of the Special Tax on Taxable Property, the Successor Agency may order the institution of a superior court action to foreclose the lien on the taxed parcel within specified time limits. In such an action, the real property subject to the unpaid amount of the Special Tax lien may be sold at judicial foreclosure sale.

Covenant Under the Fiscal Agent Agreement. Pursuant to Section 53356.1 of the Mello-Roos Act, the Successor Agency has covenanted in the Fiscal Agent Agreement with and for the benefit of the owners of the Bonds that it will order, and cause to be commenced as provided in the Fiscal Agent Agreement 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 counsel to the Successor Agency of any such delinquency of which it is aware, and the counsel will commence, or cause to be commenced, the proceedings.

On or about February 15 and June 15 of each Fiscal Year, the Finance Director will compare the amount of Special Taxes theretofore levied in the Community Facilities District to the amount of Special Tax Revenues theretofore received by the Successor Agency:

(A) **Individual Delinquencies.** If the Finance Director determines that any single parcel subject to the Special Tax in the Community Facilities District is delinquent in the payment of Special Taxes in the aggregate amount of \$2,500 or more, then the Finance Director will 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 will be commenced by the Successor Agency within 90 days of such determination to the extent permissible under the County's Teeter Plan. Notwithstanding the foregoing, 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 Community Facilities District, (including the total of delinquencies described in (A) above), exceeds 5% of the total Special Tax due and payable for the prior Fiscal Year, or (ii) there are 10 or fewer owners of real property within the Community Facilities District, determined by reference to the latest available secured property tax roll of the County, the Successor Agency will 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 will commence foreclosure proceedings within 90 days of such determination against each parcel of land in the Community Facilities District with a Special Tax delinquency.

Sufficiency of Foreclosure Sale Proceeds; Foreclosure Limitations and Delays. No assurances can be given that the real property subject to a judicial foreclosure sale will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Tax installment. Subject to the maximum rates, the Rate and Method is designed to generate from all non-exempt property within the Community Facilities District the current year's debt service, administrative expenses, and any needed replenishment of the Reserve Fund to the Reserve Requirement, including an amount reflecting the prior year's delinquencies. However, if foreclosure proceedings are necessary, and the Reserve Fund has been depleted, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the Successor Agency of the proceeds of the foreclosure sale.

Section 53356.6 of the Mello-Roos Act requires that property sold pursuant to foreclosure under the Mello-Roos Act be sold for not less than the amount of judgment in the foreclosure action, plus post-judgment interest and authorized costs, unless the consent of the

owners of 75% of the outstanding Bonds is obtained. However, under Section 53356.6 of the Mello-Roos Act, the Successor Agency, as judgment creditor, is entitled to purchase any property sold at foreclosure using a “credit bid,” where the Successor Agency could submit a bid crediting all or part of the amount required to satisfy the judgment for the delinquent amount of the Special Tax. If the Successor Agency becomes the purchaser under a credit bid, the Successor Agency must pay the amount of its credit bid into the redemption fund established for the Bonds, but this payment may be made up to 24 months after the date of the foreclosure sale. Neither the Mello-Roos Act nor the Fiscal Agent Agreement requires the Successor Agency to purchase or otherwise acquire any lot or parcel of property foreclosed upon if there is no other purchaser at such sale, and the Successor Agency has no intent to be such a purchaser.

The Successor Agency will levy the Special Tax to pay the current year’s debt service and related administrative expenses and to replenish the Reserve Fund, if needed, to the Reserve Requirement, subject to Maximum Special Tax rates. However, in the event such superior court foreclosure proceedings are necessary, and if the Reserve Fund is depleted, there could be a delay in payments of principal of and interest on the Bonds pending prosecution of the foreclosure proceedings and receipt by the Successor Agency of the proceeds of the foreclosure sale. See “SPECIAL RISK FACTORS - Bankruptcy Delays” and “ - Proceeds of Foreclosure Sales.”

Limited Ability to Make Up for Delinquencies by Levying More Special Taxes on Other Taxable Property

Pursuant to Section 53321(d) of the Mello-Roos Act, in the case of any parcel used for private residential purposes, under no circumstances will the Special Tax levied in any fiscal year against a private residential parcel be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels of Taxable Property within the Community Facilities District by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. See “SPECIAL RISK FACTORS – Insufficiency of Special Taxes.”

Parity Bonds

The Successor Agency may from time to time issue bonds (the “**Parity Bonds**”) secured by a lien on the Revenues and funds pledged for the payment of the 2005 Bonds and the 2013 Bonds on a parity with the 2005 Bonds, the 2013 Bonds and other Parity Bonds then outstanding. Parity Bonds may be issued without the consent of any Bondowners, upon compliance with certain provisions of the Fiscal Agent Agreement, which include the following:

Value-to-Lien Ratio. The market value of all parcels of real property in the Community Facilities District 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 non-delinquent 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 and with the proceeds of any proposed series of Parity Bonds (the “**District Value**”), as determined by reference to (A) an appraisal performed within six months of the date of issuance of any proposed Parity Bonds by an MAI appraiser (the “**Appraiser**”) selected by the Successor Agency, or (B) in the alternative, the assessed value of all such non-delinquent parcels and improvements thereon as shown on the then current County real property tax roll available to the Finance Director shall be at least three 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 Community Facilities District 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 Community Facilities District (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 Community Facilities District, 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 special taxes needed to pay maximum annual debt service on the Other District Bonds when it occurs), based upon information from the most recent available Fiscal Year.

For purposes of this calculation, there shall be excluded from the principal amount of any Bonds or Parity Bonds the portion thereof (if any):

- (i) representing amounts on deposit in an escrow fund subject to release only when the District Value is at least three times the then Outstanding principal amount of the Bonds, plus the outstanding principal amount of any other special tax or assessment bonds secured by liens imposed upon land located in the Community Facilities District, or
- (ii) the payment of debt service on which is secured by a letter of credit or other similar security, which may be discharged upon a determination by an Authorized Officer that the three times coverage requirement described above has been satisfied with respect to all Bonds not so secured.

Special Tax Coverage. The Successor Agency shall obtain a certificate of a Tax Consultant to the effect that the amount of the maximum Special Taxes that may be levied in each Fiscal Year shall be at least 110% of the total Annual Debt Service for each such Fiscal Year on the Bonds and the proposed Parity Bonds plus estimated Administrative Expenses.

Net Available Increment Will Not Be Used to Pay Debt Service

Pursuant to a Tax Increment Allocation Pledge Agreement between the Redevelopment Agency and the City, the Redevelopment Agency agreed to contribute certain “**Net Available Increment**” to the cost of acquiring the Infrastructure. The Successor Agency has succeeded to the Redevelopment Agency’s obligations under the Tax Allocation Agreement.

The Net Available Increment is not pledged to or available to pay debt service on the Bonds and is expressly excluded from the definition of “Revenues” in the Fiscal Agent Agreement.

No Teeter Plan

Collection of the Special Taxes is not subject to the “Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds,” as provided for in Section 4701 et seq. of the California Revenue and Taxation Code (known as the “**Teeter Plan**”). Accordingly, collections of Special Taxes will reflect actual delinquencies, if any.

Limited Obligation

The Bonds are limited obligations of the Successor Agency on behalf of the Community Facilities District and are payable solely from and secured solely by the Revenues and the amounts in the Bond Fund, the Reserve Fund and the Revenue Fund created pursuant to the Fiscal Agent Agreement.

In the event that the Special Taxes are not paid when due, the only sources of funds available to repay the Bonds are amounts in the Bond Fund, the Reserve Fund and the Revenue Fund, and the proceeds, if any, from foreclosure sales of parcels with delinquent Special Tax levies.

THE SUCCESSOR AGENCY

As described below, the Successor Agency was established by the Board of Supervisors of the City following dissolution of the Redevelopment Agency pursuant to recent changes to the California Community Redevelopment Law.

The Successor Agency believes the recent changes in the Community Redevelopment Law will not impact its ability to perform its obligations under the Fiscal Agent Agreement or under the Mello-Roos Act as it relates to the Bonds. The Successor Agency has covenanted in the Fiscal Agent Agreement to take all actions within its power and otherwise as may be required under the Community Redevelopment Law to cause the Special Taxes to be used to timely pay the scheduled debt service on the Bonds.

Impact of Recent Changes in Redevelopment Law

AB26 and AB27. The Redevelopment Agency was established under the Community Redevelopment Law in 1948. In 1998, the Board of Supervisors of the City approved ordinances and resolutions adopting the Mission Bay South Redevelopment Plan; the Community Facilities District is located in the Successor Agency’s Mission Bay South Redevelopment Project Area.

On June 28, 2011, the Governor approved two bills, Assembly Bill No. X1 26 (“**AB 26**”) and Assembly Bill No. X1 27 (“**AB 27**”), which amended the Community Redevelopment Law. AB 26 provided for dissolution of redevelopment agencies; AB 27 allowed cities and counties to keep their redevelopment agencies in place by paying substantial “community remittances” to the State.

In July 2011, a lawsuit was filed challenging the constitutionality of both AB 26 and AB 27. The California Supreme Court accepted the case and, on December 29, 2011, upheld most of AB 26 but struck down AB 27 (California Redevelopment Association et al. v. Ana Matosantos). As a result, the Redevelopment Agency was dissolved as of February 1, 2012.

AB 26 contemplated that the city, county or city and county that formed a redevelopment agency would act as the “successor agency” to the former redevelopment agency; and the successor agency would be charged with satisfying “enforceable obligations” of the former redevelopment agency, preserving its assets for the benefit of taxing entities and winding up the affairs of the former redevelopment agency, all under the supervision of a new oversight board, the State Department of Finance and the State Controller.

Board of Supervisors Resolution No. 11-12 (January 24, 2012). Under AB 26, pursuant to Resolution No. 11-12 adopted on January 24, 2012, the Board of Supervisors of the City confirmed the City’s role as the successor to the Redevelopment Agency.

AB 1484. Since then, pursuant to a further revision of the Community Redevelopment Law (AB 1484), which was signed by the Governor on June 27, 2012, the Legislature clarified that successor agencies are separate political entities and that the successor agency succeeds to the organizational status of the former redevelopment agency but without any legal authority to participate in redevelopment activities except to complete the work related to an approved enforceable obligation.

Successor Agency Ordinance No. 215-12. On October 2, 2012, the Board of Supervisors of the City, as the legislative body of the Successor Agency, adopted its Ordinance No. 215-12, pursuant to which it:

- (i) officially gave the following name to the Successor Agency: the “Successor Agency to the Redevelopment Agency of the City and County of San Francisco,”
- (ii) created the Successor Agency Commission as the policy body of the Successor Agency,
- (iii) delegated to the Successor Agency Commission the authority to act in place of the former Redevelopment Agency Commission to implement the surviving redevelopment projects, the replacement housing obligations and other enforceable obligations of the former Redevelopment Agency and the authority to take actions that AB 26 and AB 1484 require or allow on behalf of the Successor Agency and
- (iv) established the composition and terms of the members of the Successor Agency Commission.

See “THE SUCCESSOR AGENCY” below.

Approval by Oversight Board and Review or Approval by the Department of Finance. Under the Community Redevelopment Law, as amended by AB 26 and AB 1484, many actions of the Successor Agency are subject to approval by an “oversight board” and the review or approval by the California Department of Finance, including the issuance of bonds such as the 2013 Bonds. See “- Authorization of Issuance” above for information about approval by the Oversight Board and the review or approval by the Department of Finance of the issuance of the 2013 Bonds. The Department of Finance approved the Oversight Board’s resolution approving the issuance of the 2013 Bonds on January 29, 2013.

Impact of Community Redevelopment Law Changes on the Community Facilities District and its Bonds. AB 26 requires all “enforceable obligations” to be reflected in a recognized obligation payment schedule. The Successor Agency lists the 2001 Bonds, the 2002 Bonds and the 2005 Bonds and the Mission Bay South OPA on its recognized obligation payment schedules. Issuance of the 2013 Bonds is permitted under Section 34177.5 of the Community Redevelopment Law, as revised, because (i) with respect to the Series 2013A Bonds, the Successor Agency will realize savings in respect of the Prior Bonds to be redeemed and (ii) with respect to the Series 2013B Bonds and the Series 2013C Bonds, the Successor Agency is obligated under the Mission Bay South OPA to provide financing for the Infrastructure through the formation of the Community Facilities District and the issuance of bonds on behalf of the Community Facilities District.

Authority and Personnel

The powers of the Successor Agency are vested in the Successor Agency Commission, which has five members who are appointed by the Mayor of the City with the approval of the Board of Supervisors. Members are appointed to staggered four-year terms (provided that two members have initial two-year terms) and must reside within the City limits. Once appointed, members serve until replaced or reappointed.

The current members of the Successor Agency Commission, together with their principal occupations, the years of their first appointment to the Commission and the expiration date of their current terms are as follows:

<u>Name</u>	<u>Occupation</u>	<u>First Appointed</u>	<u>Term Expires</u>
Theodore Ellington	Community Service	2012	December 2016
Marily Mondejar	Community Organizer	2012	December 2014
Christine Johnson	Financial Professional	2012	December 2016
Mara Rosales	Attorney	2012	December 2014
Darshan Singh	Businessman	2012	December 2016

Recent Auditor Finding

In connection with the audit of the Successor Agency’s financial statements for the fiscal year ended June 30, 2012, Macias Gini & O’Connell LLP (“**MGO**”) concluded that the dissolution of the Redevelopment Agency severely impacted the Successor Agency’s internal controls over financial reporting and that the Successor Agency’s current staff is not configured to adequately support the Successor Agency’s financial reporting responsibilities resulting in a deficiency in internal controls that provide reasonable assurance that closing transactions (capital assets, accruals, deferred revenue, etc.) and financial statements are accurately prepared under generally accepted accounting principles.

The Successor Agency is working with the City, including the City’s Office of the Controller, to augment staffing, consistent with existing labor agreements, for the Agency’s accounting and finance functions and is implementing a corrective course of action. Four accounting staff and a Chief Financial Officer will be in place at the Successor Agency by the end of January 2013 to address the deficiency in accounting and financing staff and to resolve the material weakness finding.

Nonetheless, the Successor Agency believes that the material weakness identified by MGO is not material to prospective owners of the 2013 Bonds because the 2013 Bonds are payable solely from Special Taxes (the Successor Agency has no obligation to owners of the 2013 Bonds to maintain, advance or report about other available funds) and the Successor Agency relies on its special tax consultant to prepare and submit to the County Auditor the annual Special Tax levy and to prepare and file the annual continuing disclosure report for the Community Facilities District.

THE COMMUNITY FACILITIES DISTRICT

Background

General. Approximately 62.2 acres in the Community Facilities District are expected to be subject to the Special Tax; there are approximately 237 acres of land in the Community Facilities District.

The Community Facilities District is located approximately two miles south of the financial district of the City, and south of China Basin Channel and AT&T Park, the waterfront baseball stadium for the San Francisco Giants, which is not in the Community Facilities District. Only 62.2 acres are expected to be subject to the Special Tax. The Community Facilities District is bounded on the south by Mariposa Street, on the east by San Francisco Bay, on the north by China Basin Channel, and on the west by Seventh Street. See the Master Plan map below. The Community Facilities District is within a developed urban area with existing and planned transportation improvements, including the existing Caltrain railroad station located at the southwest corner of Fourth and Townsend Street, extensive bus service, and the N and T light rail lines.

See “-Status of Entitlements” and “-Current Status of Development” below for a summary of the entitlements for and the current status of development in the Community Facilities District. See also “THE MISSION BAY DEVELOPMENT” for information about the larger Mission Bay project, which includes property outside the Community Facilities District.

Exempt Land Use. Only 62.2 out of the 237 acres in the Community Facilities District are eventually expected to be subject to the Special Tax. The land in the Community Facilities District that is not subject to the Special Tax includes land planned for Successor Agency-sponsored affordable housing projects, public facilities, public open space, streets, the University of California, San Francisco (“UCSF”) campus (excluding a medical center that will be subject to the Special Tax; see “THE MISSION BAY DEVELOPMENT” and “EXISTING AND PROPOSED DEVELOPMENT IN THE COMMUNITY FACILITIES DISTRICT”), and an approximately 2.2-acre school site for the San Francisco Unified School District on the UCSF campus.

Neighboring Land Use. Land adjacent to the Community Facilities District to the north has transitioned over the past decade into an urban residential and retail-commercial neighborhood, with 15 new multifamily housing rental and for-sale projects having been completed and currently occupied. Commercial development in the area accelerated since the completion of AT&T Park, bringing many adjacent restaurant and retail commercial projects. The area south and west of the Community Facilities District is currently continuing a transition from established older commercial/industrial uses to modern residential and neighborhood commercial developments. Desirability of the area has been enhanced by the proximity to recently completed upscale housing, retail establishments, the San Francisco Bay waterfront, South Beach Marina, AT&T Park, various transportation options and proximity to jobs in the nearby financial district. Most of the new development has occurred over the past 5-10 years and has significantly changed the visual and physical characteristics of the area.

Status of Entitlements

All entitlements required for development to proceed as planned by the largest landowners in the Community Facilities District (see “EXISTING AND PROPOSED

DEVELOPMENT IN THE COMMUNITY FACILITIES DISTRICT”) have been received, including environmental clearance under the California Environmental Quality Act; design approvals, building permits and other ministerial permits and approvals will be received by developers in connection with the construction of specific buildings.

Current Status of Development

The following table describes the development status of the approximately 62.2 acres in the Community Facilities District that are expected to be Taxable Property under the Rate and Method. See “EXISTING AND PROPOSED DEVELOPMENT IN THE COMMUNITY FACILITIES DISTRICT” for a description of significant ongoing development in the Community Facilities District. See also the following Table 4 for property ownership information that is aggregated by current development status and type of land use. “Developed Property” is generally defined in the Rate and Method to refer to property in the Community Facilities District for which a building permit for new construction was issued prior to the July 1 preceding a fiscal year. See Appendix B.

Table 3
REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 6 (Mission Bay South Public Improvements)
Status of Development of Taxable Property

APN	Block #	Expected Net Acreage at Build-Out(1)	Status(2)	Residential Units / SF	FY 12-13 Tax Levy	% of Tax Levy	FY 12-13 Max Tax Levy	% of Max Tax Levy
Residential								
Bosa Development								
8710 -007	12E	1.94	Undeveloped	267 units	\$153,963.52	2.01%	\$280,484.36	2.95%
8720 -018 thru -116	10a	1.34	Completed	99 units	193,737.26	2.53	193,737.26	2.04
8720 -117 thru -448	10	2.79	Completed	329 units	407,764.58	5.33	407,765.08	4.29
BRE Properties								
8710 -009	11	1.89	Under Constr.	188 units	273,255.38	3.57	273,255.38	2.87
8711 -017	5	1.80	Under Constr.	172 units	260,243.22	3.40	260,243.22	2.74
Other								
8711 -013	13W	1.60	Undeveloped	273 units	126,980.22	1.66	231,327.30	2.43
8711 -023	2	2.10	Under Constr.	315 units	303,617.08	3.97	303,617.09	3.19
8711 -025	3W	1.10	Under Constr.	147 units	159,037.52	2.08	159,037.52	1.67
8711 -028	4W	1.50	Completed	192 units	216,869.34	2.84	216,869.35	2.28
		16.06		1,982 units				
Hospital								
UC Regents								
8723 -008	38-39	5.86	Under Constr. (3)	261 beds	877,597.96	11.48	877,597.96	9.23
8724 -001	36-37	3.63	Under Constr.	289 beds	530,607.00	6.94	530,607.00	5.58
		9.49		550 beds				
Hotel								
Strada								
8715 -004	1	2.73	Undeveloped	500 rooms	216,343.36	2.83	394,125.35	4.15
		2.73		500 rooms				
Office (estimated leasable sf)								
Alexandria								
8721 -032	26-2	1.51	Completed	204,826 sf	218,489.06	2.86	218,489.06	2.30
8721 -034	26-4	0.37	Completed	N/A	53,407.48	0.70	53,407.48	0.56
8709 -007	41/43-1	0.99	Completed	157,340 sf	142,700.04	1.87	142,700.03	1.50
8709 -017	41/43-7	1.14	Undeveloped	59,982 sf	90,235.84	1.18	164,387.89	1.73
8709 -018	41/43-5	1.05	Completed	158,263 sf	152,196.88	1.99	152,196.88	1.60
8709 -020	41/43-4	1.66	Under Constr. (4)	229,752 sf	239,634.98	3.13	239,634.99	2.52
Bay Jacaranda								
8721 -029	27	0.99	Undeveloped		78,569.02	1.03	143,133.77	1.51
8721 -033	26-1	0.69	Under Constr. (5)		100,044.02	1.31	100,044.01	1.05
8722 -001	29-32	8.82	Undeveloped		951,319.98	12.44	1,733,075.24	18.23
8722 -008	31 (corner)	0.01	Undeveloped		793.62	0.01	1,445.80	0.02
8725 -001	33-34	3.71	Undeveloped		303,958.92	3.98	553,739.73	5.82
8725 -004	33 (part)	0.01	Undeveloped	1,810,579 sf combined	634.90	0.01	1,156.64	0.01
FOCIL-MB, LLC								
8727 -008	40	3.24	Undeveloped	640,253 sf	257,134.96	3.36	468,437.79	4.93
Other								
8709 -008	41/43-2	1.37	Completed	180,000 sf	198,363.16	2.59	198,363.16	2.09
8721 -010	26A	1.85	Completed	287,940 sf	267,472.20	3.50	267,472.19	2.81
8721 -011	28	1.85	Completed	282,773 sf	267,472.20	3.50	267,472.19	2.81
		29.26		4,009,708 sf				
Stand-Alone Parking								
8709 -019	41/43-6	1.10	Undeveloped	300 spaces	87,247.90	1.14	158,944.59	1.67
8709 -022	41/43-3	1.98	Completed	803 spaces	286,304.72	3.75	286,304.71	3.01
8721 -030	27	1.58	Completed	1,424 spaces	228,435.72	2.99	228,435.71	2.40
		4.66		2,527 spaces				
TOTAL		62.2			\$7,644,432.04	100.00%	\$9,507,508.72	100.00%

- (1) This table shows expected taxable acreage upon build-out.
(2) "Undeveloped" refers to property on which no development activity has occurred.
(3) Under construction; building permit has been issued.
(4) Under construction; foundation has been completed and remaining development place on hold.
(5) Under construction; some foundation work has been completed, remaining development placed on hold.
Source: FOCIL-MB, LLC and Goodwin Consulting Group.

Land Use Distribution

The following table shows the distribution of land uses of Taxable Property within the Community Facilities District based on the actual fiscal year 2012-13 Special Tax levy, the principal amount (not accreted value) of the outstanding 2005 Bonds (\$19,588,939), the initial principal amount of the 2013 Bonds (\$123,011,256) and fiscal year 2012-13 assessed values.

The value to Special Tax bond burden ratios shown below for each category of property and for the Community Facilities District as a whole are aggregate ratios; the value to Special Tax bond burden ratio is not the same for each parcel.

TABLE 4
REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 6 (Mission Bay South Public Improvements)
Development Status, Assessed Values, Value-to-Special Tax Bond Burden Ratio
(Fiscal Year 2012-13)

Land Uses	Number of Parcels	Gross Acres	Expected Net Acres	Fiscal Year 2012-13 Assessed Value	FY 2012-13 Actual Special Tax Levy ⁽¹⁾	Share of Bonds ⁽²⁾	% of Actual Special Tax Levy	Aggregate Value-to-Special Tax Bond Ratio
Developed Property								
For-Sale Residential Property	431	4.16	4.13	\$312,123,697	\$601,502	\$11,220,491	7.87%	27.82 : 1
Rental Residential Property	5	8.39	8.39	80,159,086	1,213,023	22,627,875	15.87	3.54 : 1
Hotel Property	0	0.00	0.00	0	0	0	0.00	n/a
Initial Stand-Alone Retail Property	0	0.00	0.00	0	0	0	0.00	n/a
Office Property	9	11.34	11.34	660,133,221	1,639,780	30,588,662	21.45	21.58 : 1
Other Property	2	9.74	9.49	50,777,023	1,408,205	26,268,832	18.42	1.93 : 1
Stand-Alone Parking	2	3.56	3.56	88,832,409	514,740	9,602,033	6.73	9.25 : 1
Stand-Alone Retail Property	0	0.00	0.00	0	0	0	0.00	n/a
Developed Property-Subtotal	449	37.19	36.91	\$1,192,025,436	\$5,377,250	\$100,307,893	70.34%	11.88 : 1
Undeveloped Property	11	28.57	25.28	328,602,299	2,267,182	42,292,302	29.66	7.77 : 1
Totals:	460	65.76	62.19	1,520,627,735	7,644,432	142,600,195	100.00	10.66 : 1
Largest Property Owners ⁽³⁾								
Regents of the University of California								
Fee simple interest in Blocks 36-37	1	3.67	3.63	19,132,610	530,607	\$9,898,010	6.94	1.93 : 1
Leasehold interest in Blocks 38-39 ⁽⁴⁾	1	6.07	5.86	31,644,413	877,598	16,370,822	11.48	1.93 : 1
Regents subtotal	2	9.74	9.49	50,777,023	1,408,205	26,268,832	18.42	1.93 : 1
Bay Jacaranda No. 2932, LLC	2	12.00	8.83	176,491,539	952,114	17,760,847	12.45	9.94 : 1
ARE-San Francisco No. 15, LLC	4	5.87	5.87	56,565,325	703,423	13,121,749	9.20	4.31 : 1
BOSA Development Calif. II, Inc. ⁽⁵⁾	333	4.76	4.73	163,875,353	561,728	10,478,546	7.35	15.64 : 1
Totals:	341	32.37	28.92	\$447,709,240	\$3,625,470	\$67,629,974	47.43%	6.62 : 1

(1) For the fiscal year 2012-13 special tax levy, Developed Property was levied the Maximum Special Tax and Undeveloped Property was levied a Special Tax equal to approximately 55% of the Maximum Special Tax for Undeveloped Property.

(2) The Share of Bonds allocation is based on the fiscal year 2012-13 actual Special Tax levy.

(3) See Table 6 for a list of the largest property owners in the Community Facilities District and the designation of their property as Developed Property or Undeveloped Property.

(4) The Regents of the University of California leases one parcel (Blocks 38-39) from Prologis on a long-term basis and is responsible by contract to pay the Special Taxes levied on that parcel. However, if the Regents of the University of California fails to pay the Special Taxes, the Special Tax obligation remains the responsibility of the owner of the parcel.

(5) According to the Assessor-Recorder of the City and County of San Francisco, as of January 1, 2012, Bosa Development California II, Inc. owned 333 parcels in the Community Facilities District that are responsible for 7.35% of the Special Taxes in fiscal year 2012-13. Of those 333 parcels, one of the parcels, Block 12E (1.94 acres), is intended for development of 267 residential units and, according to the Successor Agency's Special Tax Consultant, is responsible for 2.01% of the Special Taxes in fiscal year 2012-13. The Successor Agency's Special Tax Consultant believes that the remaining 332 parcels represent the 329 condominiums in Madrone at Mission Bay (see below) and 3 retail condominium units at Radiance at Mission Bay. Although the Assessor-Recorder records do not yet reflect transfers between January 1, 2012 and January 4, 2013, Bosa Development reports that Radiance at Mission Bay is completely sold out, 290 of the 329 units in Madrone at Mission Bay were sold to third parties and 30 of the 329 units in Madrone at Mission Bay were in escrow. See "EXISTING AND PROPOSED DEVELOPMENT IN THE COMMUNITY FACILITIES DISTRICT – Bosa Development California II, Inc."

Source: Goodwin Consulting Group.

Assessed Value History

No Appraisal of Property in the Community Facilities District. The Successor Agency has not commissioned an appraisal of the taxable property in the Community Facilities District in connection with the issuance of the 2013 Bonds. Therefore, the valuation of the taxable property in the Community Facilities District will be estimated, based on the values established by the Assessor-Recorder of the City and County of San Francisco.

Assessed Valuation. The valuation of real property in the Community Facilities District is established by the Assessor-Recorder of the City and County of San Francisco. Assessed valuations are reported at 100% of the full cash value of the property, as defined in Article XIII A of the California Constitution. Article XIII A of the California Constitution defines “full cash value” as the appraised value as of March 1, 1975, plus adjustments not to exceed 2% per year to reflect inflation, and requires assessment of “full cash value” upon change of ownership or new construction.

Accordingly, the gross assessed valuation presented in this Official Statement may not necessarily be representative of the actual market value of certain property in the Community Facilities District.

The fiscal year 2012-13 total assessed value of 460 parcels of taxable property in the Community Facilities District is \$1,520,627,735.

Historical Assessed Values. The table below shows assessed valuations for fiscal years 2008-09 through 2012-13 with respect to taxable property in the Community Facilities District.

TABLE 5
REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 6
(Mission Bay South Public Improvements)
Assessed Value History
Fiscal Year 2008-09 through 2012-13

<u>Fiscal Year</u>	<u>Assessed Value</u>
2008-09	\$601,263,584
2009-10	755,212,256
2010-11	1,101,447,209
2011-12	1,131,255,320
2012-13	1,520,627,735

Source: Goodwin Consulting Group.

Property Ownership

The following table lists the top 18 payers of Special Taxes in the Community Facilities District with respect to taxable property for fiscal year 2012-13, based on the actual fiscal year 2012-13 Special Tax levy and fiscal year 2012-13 assessed values.

TABLE 6
REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 6
(Mission Bay South Public Improvements)
Property Ownership as of January 1, 2012

Property Owner	Developed or Undeveloped	Number of Parcels	Current Acres	Expected Net Acres	Fiscal Year 2012-13 Assessed Value	FY 12-13 Actual Special Tax Levy ⁽¹⁾	Share of Bonds ⁽²⁾	% of Total Actual Special Tax Levy	Aggregate Value-to-Special Tax Bond Burden Ratio
REGENTS OF THE UNIVERSITY OF CA									
FEE SIMPLE INTEREST IN BLOCKS 36-37	Developed	1	3.67	3.63	\$19,132,610	530,607	\$9,898,010	6.94%	1.93 : 1
LEASEHOLD INTEREST IN BLOCKS 38-39 (3)	Developed	1	6.07	5.86	31,644,413	877,598	16,370,822	11.48	1.93 : 1
REGENTS SUBTOTAL	Developed	2	9.74	9.49	50,777,023	1,408,205	26,268,832	18.42	1.93 : 1
BAY JACARANDA NO 2932 LLC	Undeveloped	2	12.00	8.83	176,491,539	952,114	17,760,847	12.45	9.94 : 1
ARE-SAN FRANCISCO NO 15 LLC	Both	4	5.87	5.87	56,565,325	703,423	13,121,749	9.20	4.31 : 1
BOSA DEVELOPMENT CALIF II, INC (4)	Both	333	4.76	4.73	163,875,353	561,728	10,478,546	7.35	15.64 : 1
BRE PROPERTIES INC	Developed	2	3.69	3.69	33,347,227	533,499	9,951,950	6.98	3.35 : 1
ARE-SAN FRANCISCO NO 19 LLC	Developed	3	3.46	3.46	135,541,857	500,332	9,333,261	6.55	14.52 : 1
BAY JACARANDA NO 3334 LLC	Undeveloped	2	3.84	3.72	56,441,538	304,594	5,681,931	3.98	9.93 : 1
DCO MISSION BAY LP	Developed	1	2.10	2.10	24,097,500	303,617	5,663,711	3.97	4.25 : 1
GILL TERRY FRANCOIS BLVD LLC	Developed	1	1.85	1.85	152,319,743	267,472	4,989,460	3.50	30.53 : 1
SOBRATO DEVELOPMENT CO #871	Developed	1	1.85	1.85	169,690,420	267,472	4,989,460	3.50	34.01 : 1
FOCIL-MB LLC	Undeveloped	1	3.24	3.24	8,475,219	257,135	4,796,628	3.36	1.77 : 1
STRATA APARTMENT HLDGS LLC	Developed	1	1.50	1.50	80,159,086	216,869	4,045,508	2.84	19.81 : 1
BLOCK 1 ASSOCIATES, LLC	Undeveloped	1	2.73	2.73	5,696,665	216,343	4,035,696	2.83	1.41 : 1
J DAVID GLADSTONE INSTITUTES	Developed	1	1.37	1.37	90,380,575	198,363	3,700,291	2.59	24.43 : 1
BAY JACARANDA NO 2627 LLC	Both	2	1.68	1.68	50,813,458	178,613	3,331,870	2.34	15.25 : 1
URBAN HOUSING MB III LLC	Developed	1	1.10	1.10	12,240,000	159,038	2,966,706	2.08	4.13 : 1
ARE-SAN FRANCISCO NO 36 LLC	Developed	1	1.05	1.05	65,209,524	152,197	2,839,100	1.99	22.97 : 1
ARE-SAN FRANCISCO NO 26 LLC	Developed	1	0.99	0.99	67,251,665	142,700	2,661,944	1.87	25.26 : 1
EQR-MISSION BAY BLOCK 13 LTD P	Undeveloped	1	1.60	1.60	30,848,279	126,980	2,368,705	1.66	13.02 : 1
Remaining Property Owners (5)	Developed	99	1.34	1.34	90,405,739	193,737	3,613,999	2.53	25.02 : 1
Totals:		460	65.7597	62.19	\$1,520,627,735	\$7,644,432	\$142,600,195	100.00%	10.66 : 1

(1) For the fiscal year 2012-13 Special Tax levy, Developed Property was levied the Maximum Special Tax and Undeveloped Property was levied a Special Tax equal to approximately 55% of the Maximum Special Tax for Undeveloped Property.

(2) The Share of Bonds allocation is based on the fiscal year 2012-13 actual Special Tax levy.

(3) The Regents of the University of California leases one parcel (Blocks 38-39) from Prologis on a long-term basis and is responsible by contract to pay the Special Taxes levied on that parcel. However, if the Regents of the University of California fails to pay the Special Taxes, the Special Tax obligation remains the responsibility of the owner of the parcel.

(4) According to the Assessor-Recorder of the City and County of San Francisco, as of January 1, 2012, Bosa Development California II, Inc. owned 333 parcels in the Community Facilities District that are responsible for 7.35% of the Special Taxes in fiscal year 2012-13. Of those 333 parcels, one of the parcels, Block 12E (1.94 acres), is intended for development of 267 residential units and, according to the Successor Agency's Special Tax Consultant, is responsible for 2.01% of the Special Taxes in fiscal year 2012-13. The Successor Agency's Special Tax Consultant believes that the remaining 332 parcels represent the 329 condominiums in Madrone at Mission Bay (see below) and 3 retail condominiums units at Radiance at Mission Bay. Although the Assessor-Recorder records do not yet reflect transfers between January 1, 2012 and January 4, 2013, Bosa Development reports that Radiance at Mission Bay is completely sold out, 290 of the 329 units in Madrone at Mission Bay were sold to third parties and 30 of the 329 units in Madrone at Mission Bay were in escrow. See "EXISTING AND PROPOSED DEVELOPMENT IN THE COMMUNITY FACILITIES DISTRICT – Bosa Development California II, Inc."

(5) The remaining property owners are owners of individual condominium units.

Source: Goodwin Consulting Group

See "EXISTING AND PROPOSED DEVELOPMENT IN THE COMMUNITY FACILITIES DISTRICT" for a description of existing and proposed land use in the Community Facilities District.

Value to Special Tax Bond Burden Distribution

General Information Regarding Value-to-Special Tax Bond Burden Ratios. The value-to-Special Tax bond burden ratio on bonds secured by special taxes will generally vary over the life of those bonds as a result of changes in the value of the property that is security for the special taxes and the principal amount of the outstanding bonds payable from the special taxes.

In comparing the aggregate assessed value of the real property within the Community Facilities District and the principal amount of the Bonds, it should be noted that an individual parcel may only be foreclosed upon to pay delinquent installments of the Special Taxes attributable to that parcel. The principal amount (not accreted value) of the outstanding 2005 Bonds (\$19,588,939) and the initial principal amount of the 2013 Bonds (\$123,011,256) are not allocated pro-rata among the parcels within the Community Facilities District; rather, the total Special Taxes have been allocated among the parcels within the Community Facilities District according to the Rate and Method.

Economic and other factors beyond the property owners' control, such as economic recession, deflation of land values, financial difficulty or bankruptcy by one or more property owners, or the complete or partial destruction of taxable property caused by, among other possibilities, earthquake, flood, tsunamis, sea level rise or other natural disaster, could cause a reduction in the assessed value within the Community Facilities District. See "SPECIAL RISK FACTORS - Property Value" and "Bankruptcy Delays."

Aggregate Value-to-Special Tax Bond Burden Ratio. The aggregate value-to-Special Tax bond burden ratio of taxable property in the Community Facilities District, based on fiscal year 2012-13 assessed values (\$1,520,627,735), the principal amount (not accreted value) of the outstanding 2005 Bonds (\$19,588,939) and the initial principal amount of the 2013 Bonds (\$123,011,256) is 10.66:1. California Municipal Statistics, Inc., reports that there is no overlapping special tax or assessment debt. There is, however, overlapping general obligation debt, and the properties in the Community Facilities District are subject to a number of taxes, direct charges and assessments. See "—Direct and Overlapping Governmental Obligations" below.

Value-to-Special Tax Bond Burden Ratio Distribution. The following tables set forth the distribution of assessed value-to-Special Tax bond burden ratios among parcels of taxable property based on fiscal year 2012-13 assessed values and the Special Tax lien of the Bonds.

The first table looks at Developed Property and Undeveloped Property; the second table looks only at Developed Property; the third table looks only at Undeveloped Property; and the fourth table identifies seven parcels of Taxable Property with a value-to-special tax bond burden ratio of less than 3:1.

TABLE 7
REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 6
(Mission Bay South Public Improvements)
Assessed Value-to-Special Tax Bond Burden Ratios
(Developed and Undeveloped Property)
(Fiscal Year 2012-13)

Assessed Value-to-Special Tax Bond Burden Category	No. of Parcels	Current Acres	Expected Net Acres	Share of Bonds ⁽¹⁾	% of Bonds
20:1 +	235	9.44	9.42	\$25,534,481	17.91%
10:1 to 19.99:1	208	9.71	9.70	22,937,252	16.09
5:1 to 9.99:1	4	17.81	14.52	28,795,630	20.19
3:1 to 4.99:1	6	9.18	9.18	19,667,885	13.79
1:1 to 2.99:1	7	19.62	19.37	45,664,947	32.02
Less than 1:1	0	0.00	0.00	0	0.00
Totals:	460	65.76	62.19	\$142,600,195	100.00%

(1) The Share of Bonds allocation is based on the fiscal year 2012-13 actual Special Tax levy.
Source: Goodwin Consulting Group.

TABLE 8
REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 6
(Mission Bay South Public Improvements)
Assessed Value-to-Special Tax Bond Burden Ratios (Developed Property only)
(Fiscal Year 2012-13)

Assessed Value-to-Special Tax Bond Burden Category	No. of Parcels	Current Acres	Expected Net Acres	Share of Bonds ⁽¹⁾	% of Bonds
20:1 +	235	9.44	9.42	\$25,534,481	17.91%
10:1 to 19.99:1	204	7.10	7.09	19,076,262	13.38
5:1 to 9.99:1	2	1.99	1.99	5,379,499	3.77
3:1 to 4.99:1	3	5.00	5.00	13,485,027	9.46
1:1 to 2.99:1	5	13.66	13.41	36,832,623	25.83
Less than 1:1	0	0.00	0.00	0	0.00
Totals:	449	37.19	36.91	\$100,307,893	70.34%

(1) The Share of Bonds allocation is based on the fiscal year 2012-13 actual Special Tax levy.
Source: Goodwin Consulting Group.

TABLE 9
REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 6
(Mission Bay South Public Improvements)
Assessed Value-to-Special Tax Bond Burden Ratios (Undeveloped Property only)
(Fiscal Year 2012-13)

Assessed Value-to-Special Tax Bond Burden Category	No. of Parcels	Current Acres	Expected Net Acres	Share of Bonds ⁽¹⁾	% of Bonds
20:1 +	0	0.00	0.00	\$0	0.00%
10:1 to 19.99:1	4	2.61	2.61	3,860,989	2.71
5:1 to 9.99:1	2	15.82	12.53	23,416,130	16.42
3:1 to 4.99:1	3	4.18	4.18	6,182,859	4.34
1:1 to 2.99:1	2	5.97	5.97	8,832,324	6.19
Less than 1:1	0	0.00	0.00	0	0.00
Totals:	11	28.57	25.28	\$42,292,302	29.66%

(1) The Share of Bonds allocation is based on the fiscal year 2012-13 actual Special Tax levy.
Source: Goodwin Consulting Group.

The following table provides more information about properties with an assessed value-to-Special Tax bond burden ratio of less than 3:1; the footnotes to the table include summaries of some of the circumstances that the Successor Agency believes should affect the assessed value of the properties.

TABLE 10
REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 6
(Mission Bay South Public Improvements)
Taxable Property with an Assessed Value-to-Special Tax Bond Burden Ratio of less than 3:1
(Fiscal Year 2012-13)

Property Owner	Developed or Undeveloped	Number of Parcels	Current Acres	Expected Net Acres	Fiscal Year 2012-13 Assessed Value	FY 12-13 Actual Special Tax Levy ⁽¹⁾	Share of Bonds ⁽²⁾	% of Total Actual Special Tax Levy	Aggregate Value-to-Special Tax Bond Burden Ratio
REGENTS OF THE UNIVERSITY OF CA	Developed ⁽¹⁾								
FEE SIMPLE INTEREST IN BLOCKS 36-37	Developed	1	3.67	3.63	\$19,132,610	\$530,607	\$9,898,010	6.94%	1.93 : 1
LEASEHOLD INTEREST IN BLOCKS 38-39 ⁽⁴⁾	Developed	<u>1</u>	<u>6.07</u>	<u>5.86</u>	<u>31,644,413</u>	<u>877,598</u>	<u>16,370,822</u>	<u>11.48</u>	<u>1.93 : 1</u>
REGENTS SUBTOTAL	Developed	2	9.74	9.49	50,777,023	1,408,205	26,268,832	18.42	1.93 : 1
BRE PROPERTIES INC	Developed ⁽²⁾	1	1.89	1.89	\$11,515,122	\$273,255	5,097,340	3.57%	2.26 : 1
FOCIL-MB LLC	Undeveloped	1	3.24	3.24	\$8,475,219	\$257,135	4,796,628	3.36%	1.77 : 1
ARE-SAN FRANCISCO NO 15 LLC	Developed ⁽³⁾	1	1.66	1.66	\$11,185,376	\$239,635	4,470,181	3.13%	2.50 : 1
BLOCK 1 ASSOCIATES, LLC	Undeveloped ⁽⁴⁾	1	2.73	2.73	\$5,696,665	\$216,343	4,035,696	2.83%	1.41 : 1
ARE-SAN FRANCISCO NO 19 LLC	Developed ⁽⁵⁾	1	0.37	0.37	\$2,312,398	\$53,407	996,270	0.70%	2.32 : 1
Totals:		7	19.62	19.37	\$89,961,803	\$2,447,981	\$45,664,947	32.02%	1.97 : 1

- (1) The Regents of the University of California's \$1.5 billion Medical Center project is underway (and approximately 50% complete) on the two listed parcels. The Regents of the University of California leases one parcel (Blocks 38-39) from Prologis on a long-term basis and is responsible by contract to pay the Special Taxes levied on that parcel. However, if the Regents of the University of California fail to pay the Special Taxes, the Special Tax obligation remains the responsibility of the owner of the parcel. See Table 6 above. See "EXISTING AND PROPOSED DEVELOPMENT IN THE COMMUNITY FACILITIES DISTRICT – Regents of the University of California." The parcel owned by the Regents is exempt from the general ad valorem property taxes.
- (2) BRE purchased this parcel on April 12, 2011 for \$20,700,000, which is higher than the fiscal year 2012-13 assessed value. This parcel was remapped right before the sale and it is not uncommon for the assessor to be delayed in allocating values to newly mapped parcels. BRE has commenced construction on the parcel of a residential rental building. See "EXISTING AND PROPOSED DEVELOPMENT IN THE COMMUNITY FACILITIES DISTRICT – BRE Properties."
- (3) ARE remapped this and other properties, and with the remapping the purchase value was allocated based on acreage (instead of square feet of entitlements) because the square footage of buildings to be built was not known at the time. ARE has now constructed on this parcel the permanent pile portion of the foundation for a 10-story, 244,015 gross square foot office/laboratory building. See "EXISTING AND PROPOSED DEVELOPMENT IN THE COMMUNITY FACILITIES DISTRICT – Alexandra Real Estate Equities, Inc."
- (4) FOCIL sold this property to Block 1 Associates, LLC on May 17, 2012, for \$12.5 million.
- (5) This parcel is a stub parcel used a private open space appurtenant to a neighboring parcel on which ARE-San Francisco No. 19 LLC completed construction of a 5-story, approximately 217,542 gross square foot office/laboratory building.

Source: Goodwin Consulting Group and FOCIL.

Special Tax Delinquency History

The following table summarizes Special Tax levies, collections and delinquency rates on taxable properties in the District for fiscal years 2005-06 through 2011-12 based on amounts levied and outstanding delinquencies as of April 30, 2012. Amounts delinquent as of the end of each of the fiscal years shown below were higher than the amounts shown as delinquent below.

TABLE 11
REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 6
(Mission Bay South Public Improvements)
Special Tax Levies, Collections and Delinquency Rates
Fiscal Years 2005-06 through 2011-12

<u>Fiscal Year</u>	<u>Total Special Tax Levied</u>	<u>Total Outstanding Delinquencies ⁽¹⁾</u>	<u>Percent Delinquent</u>
2005-06	\$6,138,287	\$0	0.00%
2006-07	6,235,627	0	0.00
2007-08	6,595,112	0	0.00
2008-09 ⁽²⁾	6,748,770	50,425	0.75
2009-10	7,201,182	978	0.01
2010-11	7,336,179	5,389	0.07
2011-12	7,492,087	9,568	0.13

(1) Source: City and County of San Francisco Auditor-Controller's Office.

(2) The outstanding Special Tax delinquency for fiscal year 2008-09 relates to a parcel owned by FOCIL on which the Special Tax was levied in fiscal year 2008-09 because the tax rolls identified the parcel as privately-owned; however, the parcel will be dedicated for affordable housing and should not have been subject to the Special Tax. The Successor Agency expects the Special Tax delinquency to be removed from the tax roll and the Successor Agency will not collect the Special Tax.

Source: Goodwin Consulting Group.

Overlapping Liens

Taxes, Charges and Assessments. The base property tax rate on property in the Community Facilities District for fiscal year 2011-12 was 1.1718% (including ad valorem tax overrides). Property in the Community Facilities District is also subject, or will be subject, to certain annual charges and assessments (which are billed to property owners on a semi-annual basis). The following table reflects the tax bill of a representative residential property in the Community Facilities District based on the 99 condominiums sold to end users.

TABLE 12
REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 6
(Mission Bay South Public Improvements)
Taxes, Charges and Assessments for Representative Property
Fiscal Year 2011-12 ⁽¹⁾

<u>Assumptions</u>		<u>Amount</u>
Total Assessed Value ⁽²⁾		\$913,189
Homeowner's Exemption		(7,000)
Net Assessed Value		906,189
<u>Ad Valorem Taxes</u>	<u>Applied Percentage</u>	<u>Amount</u>
County Wide 1%	1.0000%	9,062
Other Ad Valorem Taxes	0.1718	1,557
Total Ad Valorem Taxes	1.1718	10,619
<u>Direct Assessments</u>		<u>Amount</u>
Mission Bay CFD No. 6 ⁽³⁾		1,382
All Other Direct Assessments		2,083
Total Direct Assessments		3,466
Total Property Tax Payment		\$14,084
Percentage of Total Assessed Value		1.54%

(1) Fiscal year 2012-13 tax bills were not available from the City and County of San Francisco as of September 24, 2012. The table presents fiscal year 2011-12 ad valorem percentages and direct assessment amounts.

(2) Represents the average assessed value of For-Sale Residential properties in the Community Facilities District as of January 1, 2012.

(3) Represents the average Maximum Special Tax of For-Sale Residential properties in the Community Facilities District for fiscal year 2012-13.

Source: Goodwin Consulting Group.

Overlapping Public Debt. Contained within the boundaries of the Community Facilities District are certain overlapping local agencies providing public services and assessing property taxes, assessments, special taxes and other charges. Many of these local agencies have outstanding debt.

The current and estimated direct and overlapping obligations affecting the property in the Community Facilities District are shown in the following table. The table was prepared by California Municipal Statistics, Inc., and is included for general information purposes only. The Successor Agency has not reviewed this report for completeness or accuracy and makes no representation in connection therewith.

TABLE 13
REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 6
(Mission Bay South Public Improvements)
Direct and Overlapping Bonded Debt
As of October 1, 2012

2012-13 Local Secured Assessed Valuation: \$1,520,627,735

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 10/1/12</u>
Bay Area Rapid Transit District	0.269%	\$ 1,104,756
San Francisco Community College District	0.830	2,973,641
San Francisco Unified School District	0.830	5,644,706
City and County of San Francisco	0.830	14,676,849
City of San Francisco Mission Bay Community Facilities District No. 6	100.	142,600,195 (1)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$167,000,147
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
San Francisco Unified School District Certificates of Participation	0.830%	\$ 87,316
City of San Francisco General Fund Obligations	0.830	8,823,915
TOTAL OVERLAPPING GENERAL FUND DEBT		\$8,911,231
 COMBINED TOTAL DEBT		 \$175,911,378 (2)

(1) Includes outstanding principal amount of the 2005 Bonds as of February 1, 2013 and initial principal amount of the 2013 Bonds.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2012-13 Assessed Valuation:

Direct Debt (\$167,000,147)	9.38%
Total Direct and Overlapping Tax and Assessment Debt.....	10.98%
Combined Total Debt.....	11.57%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/12: \$0

Source: California Municipal Statistics, Inc.



THE MISSION BAY DEVELOPMENT

The information contained in this section is presented for background information on the Mission Bay area. Not all of the Mission Bay area is contained within the Community Facilities District. For information on the portion of the Mission Bay area in the Community Facilities District, see "THE COMMUNITY FACILITIES DISTRICT" above. The information in this section of the Official Statement was provided by FOCIL, and neither the Successor Agency nor the Underwriters have made any independent investigation with respect to it. Neither the Successor Agency nor the Underwriters have verified the accuracy or completeness of such information, nor do they assume responsibility or liability therefor.

The Mission Bay Project

Origin of the Mission Bay Project. The Original Landowner and its predecessors had been the owner of much of the property in and adjacent to the Community Facilities District since the 1800s, having originally used most of it for railroad and industrial operations.

In July 1999, the Original Landowner entered into agreements with the City and the State which provided for certain land exchanges necessary to implement approvals for the redevelopment of approximately 302 acres of land in the southeastern waterfront area of the City, which land includes all of the land within the Community Facilities District and land immediately north of the Community Facilities District, for development and redevelopment of the area as a redevelopment project area under the Redevelopment Law.

The area which comprises the Mission Bay project was the subject of two Redevelopment Plans (described below) adopted by the City. It is now being redeveloped from vacant brownfield land and industrial uses to infill neighborhood of commercial and high density residential uses. These land uses are supported by new public infrastructure improvements, parks and open spaces.

In November 2004, FOCIL assumed the rights and obligations of the Original Landowner except for property-specific rights and obligations associated with approximately 974 acres of property retained by Catellus Operating Limited Partnership ("**COLP**"), COLP is an affiliate of the Original Landowner.

Overview of Mission Bay Area. Geographically, the Mission Bay development is bounded by Townsend Street to the North, Seventh Street to the west, Mariposa Street to the south, and San Francisco Bay to the east. The project area is an entirely new infill neighborhood in San Francisco.

The Mission Bay development area is entitled for the following land uses:

<u>Entitlement</u>	<u>Under Construction</u>	<u>Completed</u>
6,081 housing units	972 units	3,455 units
4.4 million square feet of office/lab space	0	1.7 million sf
550 bed medical center	289 beds	0
2.65 million square feet of university research facilities	0	1.94 million sf
272,500 square feet of retail space	44,680 sf	137,065 sf
500 room hotel	0	0
49 acres of open space	0	23.4 acres

The portions of the above entitlements that relate to the land in the Community Facilities District are as follows:

TABLE 14
REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 6
Current Entitlements and Construction Status in the Community Facilities District

<u>Entitlement</u>	<u>Under Construction</u>	<u>Completed</u>
3,117 housing units	972 units	620 units
4.0 million square feet of office/lab space	0 sf	1.25 million sf
550 bed medical center	289 beds	0
2.65 million square feet of university research facilities	0 sf	1.94 million sf
162,689 leasable square feet of retail space	44,680 sf	27,204 sf
500 room hotel	0	0
35.4 acres of open space	0	17.2 acres

The Original Landowner commenced its redevelopment activities in the spring of 2001. FOCIL expects construction to continue, subject to market conditions, until approximately 2021, with the exception of the second phase of the proposed medical center, which does not currently have a target construction completion date (see “EXISTING AND PROPOSED DEVELOPMENT IN THE COMMUNITY FACILITIES DISTRICT – Regents of the University of California”).

Residential Development. The residential units consist of market-rate and affordable units, both rental and for sale. FOCIL or its assignees or transferees are developing approximately 4,500 units at a variety of densities, and in a variety of architectural styles. The Successor Agency will sponsor development of the remaining residential units in the project area.

Retail Development. At full build-out, retail uses in the Mission Bay redevelopment area will include up to approximately 272,500 leasable square feet of retail space which will be oriented toward local users living in the neighborhood.

Commercial Development. At full build-out, commercial uses will include a mix of approximately 4.4 million leasable square feet of commercial office, medical office, biotechnology lab space, and a 500-room hotel.

UCSF Campus. Development in the Community Facilities District is anchored by a major new research campus of the University of California, San Francisco. The campus is located on approximately 43 acres of land donated by the Original Landowner and the City, and contains approximately 2.65 million gross square feet of instruction, research and support space for the nationally renowned bio-medical research institution.

The Regents of the University of California has already completed construction of approximately 1,940,800 gross square feet of building area within the campus area. The Regents of the University of California is expected to complete approximately 244,000 additional square feet by the end of calendar year 2015.

UCSF Medical Center. A 1.79 million gross square foot Medical Center is planned on 9.74 acres south of the UCSF Campus. Of this, 859,200 gross square feet will be completed by the end of calendar year 2015. The UCSF Medical Center is located primarily on land retained

by COLP and leased in 2005 to the Regents of the University of California. A portion of this land (Mission Bay Blocks 36 and 37) was purchased by the Regents in 2011. The balance (Blocks 38 and 39) remains subject to the lease. The remainder of the hospital site (Block X3) is not part of the Community Facilities District. **As a result, of the land owned and/or leased by the Regents within Mission Bay, only Blocks 36 through 39 are Taxable Property under the Rate and Method.** See "PROPERTY OWNERSHIP AND PROPOSED AND EXISTING DEVELOPMENT" below.

Public Space in Mission Bay. Public-oriented facilities planned in Mission Bay include approximately 49 acres of public parks, plazas and open space to serve a variety of recreational needs and a new and upgraded public infrastructure system necessary to serve residents, occupants, and visitors. All streets will either be new or upgraded with modern street surface systems as well as new sewer and utility provisions sub-surface. The land that is developed for public use will not be subject to the Special Tax.

Land in the Community Facilities District. For information about the portion of the Mission Bay development that is within the Community Facilities District, see "THE COMMUNITY FACILITIES DISTRICT" above.

**AERIAL PHOTO OF
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 6
(MISSION BAY SOUTH PUBLIC IMPROVEMENTS)**

As of August 2011



INFRASTRUCTURE DEVELOPMENT IN THE COMMUNITY FACILITIES DISTRICT

The information contained in this section is presented for background information. The public infrastructure in the Community Facilities District is not security for the Bonds. The information in this section of the Official Statement was provided by FOCIL and neither the Successor Agency nor the Underwriters have made any independent investigation with respect to it. Neither the Successor Agency nor the Underwriters have verified the accuracy or completeness of such information, nor do they assume responsibility or liability therefor.

The Community Facilities District was formed to finance a portion of the costs of public infrastructure (the “**Infrastructure**”) necessary to support private development within the Community Facilities District, including open space (including, among other items, park improvements and restrooms), streets, rails, sewer and storm drainage systems, water systems, dry utilities, and other improvements generally serving property within the Community Facilities District.

Public Infrastructure Improvements

FOCIL is obligated to construct or cause to be constructed all of the public improvements in the Community Facilities District, in accordance with obligations outlined in the Mission Bay South OPA. In general, the build-out of required public infrastructure within Community Facilities District has been phased at a minimum to serve the incremental service requirements of buildings as they are constructed. Accordingly, development of a specific area will generally be accompanied by development of adjacent public infrastructure and improvements, including streets, utilities and public open space. During the subdivision and/or permitting process, FOCIL has provided or will provide the City with bonds to insure the completion of all Infrastructure in accordance with its obligations.

In connection with its acquisition of parcels in the Community Facilities District, FOCIL was required to assume all of the Original Landowner’s obligations under the Mission Bay South OPA to construct the Infrastructure. FOCIL has entered into an agreement with Mission Bay Development Group, LLC (“**MBDG**”), pursuant to which MBDG manages the construction of the Infrastructure.

Acquisition of the Infrastructure

The particular public improvements to be funded by proceeds of the 2013 Bonds represent a portion of the Infrastructure required to be constructed in the Community Facilities District. The former Redevelopment Agency and the Original Landowner entered into an Acquisition Agreement (the “**Acquisition Agreement**”) dated as of June 1, 2001, which has subsequently been amended and supplemented, and was assumed by FOCIL in 2004.

Under the terms of the Acquisition Agreement, the Successor Agency will acquire the Infrastructure from FOCIL in phases, upon completion of various discrete components of infrastructure and inspection thereof by the City. The Acquisition Agreement provides that the Infrastructure will be acquired for an amount based upon the documented Actual Cost (as defined in the Acquisition Agreement) or for such other amount as may be agreed upon by FOCIL, the Successor Agency and the City.

Funding of the Infrastructure

The projected cost of the Infrastructure and other improvements necessary for the proposed development and redevelopment activities in Mission Bay South is summarized in Table 15 below. Proceeds of the 2001 Bonds, the 2002 Bonds and the 2005 Bonds in the aggregate amount of approximately \$87.68 million were deposited in the Bond Proceeds Account of the Improvement Fund and have been fully disbursed to pay costs of the acquisition of Infrastructure. \$37,605,799.24 of the 2013 Bond proceeds is expected to be deposited in the Bond Proceeds Account of the Improvement Fund.

FOCIL expects that much of the cost of Infrastructure not financed from Bond proceeds will be financed by the use of “**Net Available Increment**” provided by the Successor Agency pursuant to the Mission Bay South OPA, as described below. Net Available Increment is a portion, but not all, of the ad valorem property taxes generated from new development within the Community Facilities District that are in excess of the taxes collected in the fiscal year the Community Facilities District was formed (fiscal year 1998-99). See “–Tax Increment Contribution to Infrastructure Costs” below.

Net Available Increment is not pledged to or available to pay debt service on the Bonds.

Tax Increment Contribution to Infrastructure Costs

The Community Redevelopment Law provides a means for financing redevelopment projects based upon an allocation of taxes collected within a project area. The taxable valuation of a project area last equalized prior to adoption of the redevelopment plan, or base roll, is established and, except for any period during which the taxable valuation drops below the base year level, the taxing agencies thereafter receive the taxes produced by the levy of the then current tax rate upon the base roll. Taxes collected upon any increase in taxable valuation over the base roll are allocated to a redevelopment agency and may be pledged by a redevelopment agency to the repayment of any indebtedness incurred in financing or refinancing a redevelopment project. Redevelopment agencies themselves have no authority to levy property taxes and must look specifically to the allocation of taxes produced.

In order to facilitate the implementation of the Mission Bay South Redevelopment Plan, the former Redevelopment Agency and the Original Landowner entered into a financing plan as part of the Mission Bay South OPA. The Mission Bay South OPA provides that the Original Landowner is responsible (which is a responsibility that has been assumed by FOCIL) for constructing the Infrastructure and that the Successor Agency will provide financing of a portion of the costs of the Infrastructure (i) through the establishment of one or more community facilities districts, such as the Community Facilities District, under the Mello-Roos Act, and (ii) through the use of Net Available Increment and the issuance of bonds secured by a pledge (or otherwise payable from a contribution) thereof.

Net Available Increment is not pledged to or available to pay debt service on the Bonds.

Construction of the Infrastructure

The following table identifies (i) total Infrastructure and site work required for complete development of the Community Facilities District, (ii) expenditures on Infrastructure and site work through September, 2012, (iii) the amount still to be expended on Infrastructure and site work and (iv) the actual and expected sources of funds for the Infrastructure and site work.

TABLE 15
SUCCESSOR TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 6
(Mission Bay South Public Improvements)
Estimated Sources and Uses of Funds for
Infrastructure and Site Work

USES	Total Estimated Costs (1)	Expenditures Through 9/30/2012	Estimated Remaining Costs
Right-of-Way Infrastructure and Utilities	\$303,250,000	\$198,658,000	\$104,592,000
Pump Stations	36,584,000	19,517,000	17,066,000
Parks	78,595,000	24,552,000	54,043,000
Other	<u>42,754,000</u>	<u>28,060,000</u>	<u>14,694,000</u>
Total Uses	\$461,182,000	\$270,787,000	\$190,395,000
SOURCES	Total Estimated Receipts	Receipts Through 9/30/2012 (4)	Estimated Remaining Receipts
Public ⁽²⁾	\$446,672,000	\$183,698,000	\$262,974,000
Interim Private ⁽³⁾	0	86,129,000	(86,129,000)
Grants	<u>14,510,000</u>	<u>960,000</u>	<u>13,550,000</u>
Total Sources	\$461,182,000	\$270,787,000	\$190,395,000

(1) In 2012 dollars.

(2) Includes a combination of Community Facilities District Bond proceeds, tax allocation bond proceeds, and direct reimbursement through tax increment. See "FINANCING PLAN - Estimated Sources and Uses of Funds" for the portion of the proceeds of the 2013 Bonds that will be available to finance Infrastructure as a result of a deposit to the 2013 Subaccount of the Bond Proceeds Account of the Improvement Fund.

(3) Any interim private funds expended by FOCIL, on work eligible for reimbursement will ultimately be reimbursed from public funding sources, including Parity Bonds.

(4) Does not include proceeds of the 2013 Bonds.

Source: FOCIL.

EXISTING AND PROPOSED DEVELOPMENT IN THE COMMUNITY FACILITIES DISTRICT

This section of the Official Statement provides information about the largest landowners in the Community Facilities District and their current and proposed development. The information in this section was provided by the respective property owners and neither the Successor Agency nor the Underwriters have made any independent investigation with respect to it. Neither the Successor Agency nor the Underwriters have verified the accuracy or completeness of such information, nor do they assume responsibility or liability therefor.

See “THE COMMUNITY FACILITIES DISTRICT – Property Ownership” above for a summary of property ownership in the Community Facilities District.

See “SPECIAL RISK FACTORS - Payment of the Special Tax is not a Personal Obligation” for a description of the nature of the Special Tax obligation under the Mello-Roos Act.

FOCIL is the only property owner that has agreed to provide continuing disclosure in connection with the issuance of the 2013 Bonds. See “-FOCIL-MB, LLC,” “CONTINUING DISCLOSURE” below and Appendix D for a description of the information that FOCIL has agreed to provide on a continuing basis, some of which relates to property owned by affiliates of Alexandria Real Estate Equities, Inc. and salesforce.com, inc. Affiliates of Alexandria Real Estate Equities, Inc. and salesforce.com, inc. are obligated to provide continuing disclosure in connection with the 2005 Bonds until the earliest to occur of, among other things, (i) the legal defeasance, prior redemption or payment in full of all the 2005 Bonds and (ii) the date on which the land owned by each of them and their respective affiliates is subject to less than 20% of the Special Taxes levied in the Community Facilities District.

Background

At the time of initial formation of the Community Facilities District, substantially all the land therein was owned by Catellus Development Corporation, which is referred to in this Official Statement as the Original Landowner.

Since formation of the Community Facilities District, the Original Landowner has disposed of nearly all of its land holdings in the Community Facilities District.

FOCIL-MB, LLC

General. The Original Landowner sold a substantial number of parcels (comprising 25.8 out of the 62.2 taxable acres in the Community Facilities District) to FOCIL-MB, LLC, a Delaware limited liability company whose manager is Farallon Capital Management, LLC. FOCIL-MB, LLC is referred to as “FOCIL” in this Official Statement.

FOCIL is the owner of a single parcel of 3.24 acres of taxable land in the Community Facilities District; this parcel is entitled for approximately 680,000 gross square feet of office/laboratory use. FOCIL is currently processing a design review permit application, and intends to either build one or more buildings and/or sell the parcel to one or more vertical developers. FOCIL acquired its property from COLP and its affiliates in November 2004 and June 2005.

Construction of Infrastructure. FOCIL continues to be responsible under the Mission Bay South OPA for the construction of the public infrastructure in the Community Facilities District. When sufficient funds are not available through Community Facilities District funding sources, FOCIL provides immediate up-front funding to expedite construction of improvements, and FOCIL is reimbursed from available funds. See “INFRASTRUCTURE DEVELOPMENT IN THE COMMUNITY FACILITIES DISTRICT.”

Continuing Disclosure. FOCIL has agreed to provide continuing disclosure of certain information pursuant to a Continuing Disclosure Certificate. See “CONTINUING DISCLOSURE.”

Regents of the University of California

The information set forth in this section was provided by the Regents of the University of California, except as set forth below.

General. As of January 1, 2012, the Regents of the University of California (the “**Regents**”) is responsible for paying Special Taxes on 2 parcels totaling 9.74 acres (the Special Tax Consultant to the Successor Agency reports that these parcels are responsible for 18.42% of the fiscal year 2012-13 Special Tax). The parcels are characterized as Developed Property under the Rate and Method. The Regents leases one parcel (Blocks 38-39) on a long-term basis and is responsible by contract to pay a defined amount of the Special Taxes levied on that parcel (see below for a summary of the provisions of the lease relating to Special Taxes).

Land Use by the Regents. The existing and proposed uses of the parcels owned and leased by the Regents in the Community Facilities District and of Block X3, which is owned by the Regents but lies outside the Community Facilities District, are described below:

- **Owned Parcels -- Mission Bay Blocks 36-37 and X3:** The Regents owns the fee simple interest in Blocks 36-37 (which is one parcel). Blocks 36-37 are in the Community Facilities District and Block X3 is outside the Community Facilities District. The Regents are in the process of constructing a \$1.5 billion University of California, San Francisco Medical Center at Mission Bay, which will be a 289-bed children's, women's specialty and cancer hospital complex, and will be composed of three basic physical buildings:
 1. **Hospital:** comprised of the children's, women's and cancer inpatient facilities;
 2. **Outpatient Building:** comprised of ambulatory services for pediatric, women, and cancer patients and hospital services;
 3. **Energy Center:** the building facing Third Street that houses the equipment (e.g., boilers, coolers, etc.) to run the 878,000 gross square foot complex as well as a data center.

Construction began in December 2010 and the UCSF Medical Center is expected to be open to the public in February 2015.

- **Leased Parcels -- Mission Bay Blocks 38-39:** The Regents leases this property on a long-term basis from PAC Operating Limited Partnership, and will initially use this parcel for public parking, but it is entitled for the second phase of the UCSF Medical Center, including an additional 261 bed hospital addition,

medical offices, and parking. The Regents has the option to acquire Blocks 38-39 as early as January 6, 2014. The lease includes a provision that contractually allocates the financial obligation for the Special Taxes levied on Blocks 38-39 between the Regents and PAC Operating Limited Partnership. However, under the Mello-Roos Act, the obligation to pay the Special Taxes is an obligation of Blocks 38-39, and, in the event the Special Taxes for Blocks 38-39 are not paid when they are due, whether by the Regents as lessee or by the owner of the parcel, the Successor Agency's only recourse is to initiate foreclosure of the delinquent parcel. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2013 BONDS - Covenant for Superior Court Foreclosure," "SPECIAL RISK FACTORS - Payment of the Special Tax Is Not a Personal Obligation."

Construction of Infrastructure. The information in this paragraph was provided to the Successor Agency by FOCIL. FOCIL is currently constructing over \$34 million of Infrastructure for the UCSF Medical Center. FOCIL expects to complete the Infrastructure by the fourth quarter of calendar year 2014; FOCIL has bonded for the majority of the Infrastructure related to the UCSF Medical Center.

Continuing Disclosure. The Regents will not provide continuing disclosure. However, FOCIL will notify investors as part of its continuing disclosure undertaking when a certificate of occupancy (or an equivalent permit allowing final occupancy) has been issued for the first phase of the UCSF Medical Center.

Exempt Parcel. The Regents owns parcel X3 (Assessor Parcel Block 3992, Lot 003), upon which a portion of the Medical Center is currently under construction; Parcel X3 is not subject to the Special Tax because it was not owned by the Original Landowner. The Original landowner agreed to include in the Community Facilities District all of its property in the Mission Bay South Plan Area, but the several outparcel owners, including the then-owner of parcel X3, did not.

Issues Relating to Regents. See "SPECIAL RISK FACTORS – Exempt Properties – Ownership by the Regents of the University of California," for a discussion of issues that could arise from the fact that, although the Regents' property described above constitutes Taxable Property under the Rate and Method, the Regents is a State entity and exempt from paying general property taxes.

Bay Jacaranda

The information set forth in this section was provided by salesforce.com, inc. ("Salesforce"), except as set forth below.

General. Affiliates of Salesforce (collectively, "**Bay Jacaranda**") acquired parcels in the Community Facilities District during calendar year 2010. The managing member of all Bay Jacaranda entities is Salesforce(NYSE: CRM).

Set forth below is a description of the property owned by Bay Jacaranda:

Bay Jacaranda No. 2932 LLC (the "**Bay Jacaranda 2932**") owns 2 parcels totaling 12 acres as of January 1, 2012. According to the Assessor-Recorder of the City and County of San Francisco, the parcels are responsible for 12.45% of the fiscal year

2012-13 Special Tax. For fiscal year 2012-13, the parcels are characterized as Undeveloped Property under the Rate and Method.

Bay Jacaranda No. 3334 LLC (the “**Bay Jacaranda 3334**”) owns 2 parcels totaling 3.84 acres as of January 1, 2012. According to the Assessor-Recorder of the City and County of San Francisco, the parcels are responsible for 3.98% of the fiscal year 2012-13 Special Tax. For fiscal year 2012-13, the parcels are characterized as Undeveloped Property under the Rate and Method.

Bay Jacaranda No. 2627 LLC (the “**Bay Jacaranda 2627**”) owns 2 parcels totaling 1.69 acres as of January 1, 2012. According to the Assessor-Recorder of the City and County of San Francisco, the parcels are responsible for 2.34% of the fiscal year 2012-13 Special Tax. For fiscal year 2012-13, one of the parcels is characterized as Undeveloped Property under the Rate and Method; the other is characterized as Developed Property under the Rate and Method because of initial foundation work, although development has been suspended.

Land Use by Bay Jacaranda. The Bay Jacaranda entities purchased their properties in late-2010 for \$278 million. In September 2011, the San Francisco Redevelopment Agency Commission approved Salesforce's Major Phase Application applicable to all eight of the parcels held by the Bay Jacaranda entities. In January 2012, the San Francisco Redevelopment Agency Commission approved the Combined Basic Concept and Schematic Design for the parcels held by Bay Jacaranda 2932, contingent on the San Francisco Planning Commission's design review approval.

In February 2012, Salesforce announced that it was suspending development of the parcels held by the Bay Jacaranda entities in the Community Facilities District. On March 1, 2012, the San Francisco Planning Commission continued indefinitely, without hearing, Salesforce's request for Request for Allocation of Square Footage for the parcels held Bay Jacaranda 2932. No further requests for approval by Salesforce or the Bay Jacaranda entities are currently pending.

Salesforce currently leases office space in a number of buildings in downtown San Francisco, and Salesforce's total leased space in San Francisco is currently planned to be approximately 1.8 million square feet by 2016.

Information about the properties owned by the Bay Jacaranda entities is set forth below.

Property Owner	Number of Taxable Parcels	Gross Acres	Fiscal Year 2012-13 Assessed Value	Entitled Use	Status of Proposed Development
BAY JACARANDA NO 3334 LLC	2	3.84	\$56,441,538	Office	On hold
BAY JACARANDA NO 2627 LLC	2	1.69	50,813,458	Office	On hold
BAY JACARANDA NO 2932 LLC	2	12.00	176,491,539	Office	On hold
Total (1)	6	17.53	283,746,535		

(1) Acreage subject to change upon recordation of Final Map and subsequent street dedications. Anticipated net developable area post-recording of Final Maps is approximately 14.3 acres.

Source: Goodwin Consulting Group.

The Securities and Exchange Commission (“**SEC**”) maintains an Internet web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC, including Salesforce. *The address of such Internet web site is www.sec.gov. The Successor Agency believes that filings by Salesforce may refer to the*

property owned by Bay Jacaranda. The internet addresses and references to filings with the SEC are included for reference only, and the information on these internet sites and on file with the SEC is not a part of this Official Statement and is not incorporated by reference into this Official Statement.

Construction of Infrastructure. The information in this paragraph was provided to the Successor Agency by FOCIL. FOCIL will need to construct more than \$35 million of Infrastructure in order for the property owned by Bay Jacaranda to be developed. FOCIL's Infrastructure construction obligations will be triggered by a Notice of Construction issued by Bay Jacaranda or a subsequent owner.

Continuing Disclosure. Bay Jacaranda will not provide continuing disclosure. However, FOCIL will notify investors as part of its continuing disclosure undertaking about certain information relating to the Bay Jacaranda property.

Alexandria Real Estate Equities, Inc.

The information set forth in this section was provided to the Successor Agency by ARE (as defined below), except as set forth below.

General. Affiliates of Alexandria Real Estate Equities, Inc. (collectively, "**ARE**") acquired parcels in the Community Facilities District during calendar years 2004 and 2005. ARE sold certain of those parcels during calendar year 2010.

Alexandria Real Estate Equities, Inc. (NYSE: ARE) is a real estate investment trust engaged primarily in the ownership, operation, management, acquisition, expansion and selective redevelopment and development of strategically located properties containing office and laboratory space designed and improved for lease principally to pharmaceutical, biotechnology, life science product and services companies, not-for-profit scientific research institutions, universities and related government agencies (collectively, the life science industry).

Land Use by ARE. The following table identifies each ARE entity that currently owns property in the Community Facilities District and, for each such ARE entity, (i) the number of taxable parcels in the Community Facilities District owned by such ARE entity, (ii) the approximate gross acres of such parcels, (iii) the fiscal year 2012-13 assessed value of such parcels for ad valorem property tax purposes, (iv) the current and planned land use of such parcels, and (v) the current status of the planned development of such parcels. ARE-San Francisco No. 15, LLC, and ARE-San Francisco No. 19, LLC, each owns more parcels than those shown in the following table, but the other parcels are exempt from Special Taxes levied in the Community Facilities District, and, therefore, the parcels are not included in the following table. The parcels excluded from the following table are exempt from Special Taxes because they are not developable; they are either (x) subject to a Caltrain easement under the Interstate 280 freeway, (y) subject to a utility, vehicular and pedestrian easement on a separate legal parcel or (z) subject to offers for dedication and/or an easements for street, roadway, and/or public utility purposes in connection with the widening of the Third Street right-of-way.

Property Owner (1)	No. of Taxable Parcels (1)	Gross Acres (1)	Fiscal Year 2012-13 Assessed Value (1)	Land Use (2)	Status of Planned Development (2)
ARE-SAN FRANCISCO NO. 15, LLC	4	5.87	\$56,565,325	Office/Lab/Parking	One parking garage complete. One office/lab bldg. started (piles only).
ARE-SAN FRANCISCO NO. 19, LLC	3	3.46	135,541,857	Office/Lab/Parking	Complete
ARE-SAN FRANCISCO NO. 36, LLC	1	1.05	65,209,524	Office/Lab	Complete
ARE-SAN FRANCISCO NO. 26, LLC	1	0.99	67,251,665	Office/Lab	Complete
Total	9	11.37	\$324,568,371		

(1) Source: Goodwin Consulting Group.

(2) Source: ARE.

Set forth below is a brief description of the status of the development on the taxable parcels owned by each ARE entity:

ARE-SAN FRANCISCO NO. 15, LLC: A 5-story parking structure at 1670 Owens Street was completed during calendar year 2009.

The permanent pile portion of the foundation for an office/laboratory building at 1600 Owens Street is complete. This project is currently on hold.

ARE-San Francisco No. 15, LLC owns two other parcels that are entitled for a second parking structure and an approximately 60,000 square foot office/lab building. The property owner has no immediate plans to develop these parcels.

ARE-SAN FRANCISCO NO. 19, LLC: A 5-story, approximately 217,542 gross square foot office/laboratory building at 455 Mission Bay Blvd. South was completed during calendar year 2009.

An improved private open space (adjacent to the southeast corner of the office/laboratory building at 455 Mission Bay Blvd. South) was completed during calendar year 2009.

A 7-story parking structure at 450 South Street was completed during calendar year 2009.

ARE-SAN FRANCISCO NO. 26, LLC: A 5-story, approximately 167,274 gross square foot office/laboratory building at 1700 Owens Street was completed during calendar year 2007.

ARE-SAN FRANCISCO NO. 36, LLC: A 6-story, approximately 167,921 gross square foot office/laboratory building at 1500 Owens Street was completed during calendar year 2009.

Occupancy Status. ARE has reported that, as of December 31, 2012, buildings are within the Community Facilities District were approximately 98.47% occupied.

Construction of Infrastructure. FOCIL has completed all remaining public infrastructure required for the property owned by ARE to be completely developed. This information in this paragraph was provided to the Successor Agency by FOCIL.

Continuing Disclosure. Neither ARE nor any of the landowners in the Community Facilities District that are affiliated with ARE are obligated to provide continuing disclosure.

Bosa Development California II, Inc.

The information set forth in this section was provided by Bosa Development (as defined below), except as set forth below.

General. According to the Assessor-Recorder of the City and County of San Francisco, as of January 1, 2012, Bosa Development California II, Inc. ("**Bosa Development**") owned 333 parcels in the Community Facilities District that are responsible for 7.35% of the Special Taxes in fiscal year 2012-13. Of those 333 parcels, one of the parcels, Block 12E (1.94 acres), is intended for development of 267 residential units and, according to the Successor Agency's Special Tax Consultant, is responsible for 2.01% of the Special Taxes in fiscal year 2012-13. The Successor Agency's Special Tax Consultant believes that the remaining 332 parcels represent the 329 condominiums in Madrone at Mission Bay (see below) and 3 retail condominiums units at Radiance at Mission Bay. Although the Assessor-Recorder records do not yet reflect transfers between January 1, 2012 and January 4, 2013, Bosa Development reports that, as of January 4, 2013, Radiance at Mission Bay is completely sold out, 290 of the 329 units in Madrone at Mission Bay were sold to third parties and 30 of the 329 units in Madrone at Mission Bay were in escrow.

Bosa Development has developed in other parts of California other residential projects like those it is building in the Community Facilities District.

In 2005, 2007, and 2011, Bosa Development purchased the parcels of land for a total of five projects at Mission Bay, two of which are now developed. Bosa Development plans to break ground on a third project in spring 2013. In April 2011 and November 2011, Bosa sold its remaining two parcels: one to BRE Properties, Inc. and the other to EQR-Mission Bay Block 13 Limited Partnership.

Land use by Bosa Development. The property owned by Bosa Development includes the following projects:

- Radiance at Mission Bay: Bosa Development completed construction of this 99-unit condominium project in June 2008. All of the condominiums have been sold to private owners.
- Madrone at Mission Bay: Bosa Development began construction of this 329-unit condominium project in June 2010. A temporary certificate of occupancy was issued in August, 2012, for Phase 1, which consists of the first 205 units. A temporary certificate of occupancy was issued in October, 2012, for Phase 2, which consists of 124 units. As of January 4, 2013, sales for 290 units had closed, with an additional 30 units in escrow. Bosa anticipates all units will be closed by March 2013.

- Block 12E: Bosa Development is entitled to construct 267 residential units on 1.94 acres in Block 12E. Bosa Development expects to break ground in March 2013, and estimates that construction will last approximately two years.

Construction of Infrastructure. The information in this paragraph was provided to the Successor Agency by FOCIL. FOCIL will need to construct over \$15.5 million of Infrastructure in order for the property owned by Bosa Development to be completely developed. FOCIL has begun construction documentation for this Infrastructure; FOCIL expects to receive the Street Improvement Permit in March 2013.

Continuing Disclosure. Bosa Development will not provide continuing disclosure.

BRE Properties

The information set forth in this section was provided by BRE (as defined below), except as set forth below.

General. According to the Assessor-Recorder of the City and County of San Francisco, as of January 1, 2012, BRE Properties Inc. ("**BRE**") owned 2 parcels in the Community Facilities District that are responsible for 6.98% of the Special Taxes in fiscal year 2012-13.

BRE purchased the two parcels (Blocks 5 and 11) for \$41.4 million in April 2011.

Land Use by BRE. The parcels owned by BRE in the Community Facilities District are entitled for a combined 360 units. BRE's development plans are summarized below; BRE intends to develop the parcels as Class A apartment communities and own and operate them for its own account.

Block	Entitled Use	Scheduled Construction Commencement	Estimated Completion Date	Projected Full Occupancy Date
5 (APN8711-017)	Residential (172 Units)	October 2012	2 nd ½ 2014	1 st ½ 2015
11 (APN 8710-009)	Residential (188 Units)	October 2012	1 st ½ 2015	2 nd ½ 2015

BRE believes it has the available resources to complete construction of the two proposed buildings as planned and consistent with the estimated schedule.

Construction of Infrastructure. The information in this paragraph was provided to the Successor Agency by FOCIL. FOCIL will need to construct approximately \$11 million of public infrastructure in order for the property owned by BRE to be completely developed. FOCIL is presently constructing this public infrastructure, and FOCIL expects to complete the infrastructure in August 2013.

Continuing Disclosure. BRE will not provide continuing disclosure.

SPECIAL RISK FACTORS

The following is a description of certain risk factors affecting the Community Facilities District, the property owners in the Community Facilities District, the parcels subject to the levy of Special Taxes and the payment of and security for the 2013 Bonds that should be considered by prospective investors in the 2013 Bonds. The following discussion of risks is not meant to be a complete list of the risks associated with the purchase of the 2013 Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following factors along with all other information in this Official Statement in evaluating the investment quality of the 2013 Bonds. There can be no assurance that other risk factors will not become material in the future. The manifestation of any one or more of the risks described in this section could adversely affect the liquidity or market value of the 2013 Bonds and the ability of the Successor Agency to pay debt service on the 2013 Bonds when due.

Changes to the Successor Agency

As described above (see “SUCCESSOR AGENCY – Impact of Recent Changes in Redevelopment Law”), the Community Redevelopment Law was recently amended to dissolve redevelopment agencies throughout the State and to provide for establishment of successor agencies. The recent amendments are only the latest in a series of changes to the Community Redevelopment Law by the California Legislature for the purpose of reallocating property tax increment from redevelopment agencies and reducing State budget shortfalls. The Special Taxes have not been impacted by the recent changes to the Community Redevelopment Law, but the Successor Agency cannot guarantee that future changes in the Community Redevelopment Law will not adversely affect the Successor Agency, the Successor Agency’s ability to comply with its obligations under the Fiscal Agent Agreement or the Special Taxes.

Concentration of Property Ownership

Failure of any significant owner of Taxable Property to pay the annual Special Taxes when due could result in the rapid, total depletion of the Reserve Fund prior to replenishment from the resale of the property upon a foreclosure or otherwise or prior to delinquency redemption after a foreclosure sale, if any. In that event, there could be a default in payments of the principal of and interest on the 2013 Bonds.

A significant landowner may be more likely to default in the payment of Special Taxes if his or her property is undeveloped. Development of property in the Community Facilities District may not occur as currently proposed or at all.

See “THE COMMUNITY FACILITIES DISTRICT” and “EXISTING AND PROPOSED DEVELOPMENT IN THE COMMUNITY FACILITIES DISTRICT” for information about property ownership and the status of development in the Community Facilities District.

Certain affiliates of Salesforce own property in the Community Facilities District that is responsible for 18.77% of the fiscal year 2012-13 Special Tax levy. Potential investors in the 2013 Bonds should assume that these landowners will not develop their property in the Community Facilities District. For more information, see “EXISTING AND PROPOSED DEVELOPMENT IN THE COMMUNITY FACILITIES DISTRICT - Bay Jacaranda.”

Infrastructure Obligation of FOCIL

FOCIL is responsible under the Mission Bay South OPA for construction of the Infrastructure necessary to complete development in the Community Facilities District, but FOCIL does not have a significant property ownership interest in the Community Facilities District.

In the event that FOCIL were to conclude that it was not in its best interest to complete construction of the Infrastructure in the Community Facilities District, the owners of undeveloped property in the Community Facilities District might delay or halt the development of their property.

The City and Successor Agency require FOCIL to provide completion bonds with respect to the completion of Infrastructure in the Community Facilities District; specifically, FOCIL is required to provide completion bonds to the City when final maps for parcels are recorded, or if no mapping occurs, when permits are pulled for each component of Infrastructure. As of September 1, 2012, FOCIL had completed approximately 59% of the Infrastructure and had bonded for approximately 50% of the unbuilt Infrastructure.

Payment of the Special Tax Is Not a Personal Obligation

The owners of the Taxable Property in the Community Facilities District are not personally obligated to pay the Special Tax. Rather, the Special Tax is an obligation that is secured only by a lien against the Taxable Property on which it is levied. If the value of a Taxable Property is not sufficient to secure fully the payment of the Special Tax, the Successor Agency has no recourse against the owner of the Taxable Property.

The Successor Agency can provide no assurance that the current owner or any subsequent owners of the Taxable Property in the Community Facilities District have the ability to pay the Special Taxes or that, even if they have the ability, they will choose to pay such taxes. Neither the Successor Agency nor any owner of the 2013 Bonds will have the ability at any time to seek payment directly from the owners of Taxable Property within the Community Facilities District of the Special Tax or the principal or interest on the 2013 Bonds, or the ability to control who becomes a subsequent owner of any property within the Community Facilities District.

No General Obligation of the Successor Agency or the Community Facilities District

The Successor Agency's obligations under the 2013 Bonds and under the Fiscal Agent Agreement are limited obligations of the Successor Agency on behalf of the Community Facilities District and are payable solely from and secured solely by the Revenues and moneys in certain funds established under the Fiscal Agent Agreement. The 2013 Bonds are neither general or special obligations of the Successor Agency nor general obligations of the Community Facilities District, but are limited obligations of the Successor Agency for the Community Facilities District payable solely from the revenues and funds pledged therefor and under the Fiscal Agent Agreement. None of the faith and credit of the Community Facilities District, the Successor Agency, the City and County of San Francisco or the State or of any of their respective political subdivisions is pledged to the payment of the 2013 Bonds.

Property Value

If an owner of Taxable Property defaults in the payment of the Special Tax, the only legal remedy is the institution of a superior court action to foreclose on the delinquent taxable parcel in an attempt to obtain funds with which to pay the Special Tax. The value of the Taxable Property in the Community Facilities District could be adversely affected by economic factors beyond the Successor Agency's control, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the Community Facilities District, the supply of or demand for competitive properties in such area, and the market value of property in the event of sale or foreclosure; (ii) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; and (iii) natural disasters (including, without limitation, tsunamis, sea level rise, earthquakes and floods), which may result in uninsured losses. See "—Natural Disasters."

No assurances can be given that any Taxable Property with delinquent Special Taxes and subject to a judicial foreclosure sale will be sold or, if sold, that the proceeds of such sale will be sufficient to pay the delinquent Special Tax installment. Although the Mello-Roos Act authorizes the Successor Agency to cause such an action to be commenced and diligently pursued to completion, the Mello-Roos Act does not specify any obligation of the Successor Agency with regard to purchasing or otherwise acquiring any lot or parcel of property sold at the foreclosure sale in any such action if there is no other purchaser at such sale. The Successor Agency is not obligated and does not expect to be a bidder at any such foreclosure sale. See "—Proceeds of Foreclosure Sale."

Exempt Properties

General. Certain properties are exempt from the Special Tax in accordance with the Rate and Method. In addition, the Mello-Roos Act provides that properties or entities of the state, federal or local government are exempt from the Special Tax; provided, however, that property within the Community Facilities District acquired by a public entity through a negotiated transaction, or by gift or devise, that is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax. It is possible that property acquired by a public entity following a tax sale or foreclosure based upon failure to pay taxes could become exempt from the Special Tax. In addition, the Mello-Roos Act provides that if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property, for outstanding Bonds only, is to be treated as if it were a special assessment. The constitutionality and operation of these provisions of the Mello-Roos Act have not been tested. See "SECURITY FOR THE 2013 BONDS - The Special Tax."

In particular, insofar as the Mello-Roos Act requires payment of the Special Tax by a federal entity acquiring property within the Community Facilities District, it may be unconstitutional. If for any reason property within the Community Facilities District becomes exempt from taxation by reason of ownership by a nontaxable entity such as the federal government or another public agency, subject to the limitation of the maximum rate, the Special Tax will be reallocated to the remaining Taxable Properties within the Community Facilities District. This would result in the owners of such property paying a greater amount of the Special Tax and could have an adverse impact upon the timely payment of the Special Tax. Moreover, if a substantial portion of land within the Community Facilities District becomes exempt from the Special Tax because of public ownership, or otherwise, the maximum rate that could be levied upon the remaining Taxable Property might not be sufficient to pay principal of and interest on

the Bonds when due and a default would occur with respect to the payment of such principal and interest.

Ownership by the Regents of the University of California. For fiscal year 2012-13, the Regents of the University of California is responsible for paying the largest share of Special Taxes in the Community Facilities District with respect to parcels that are partially developed. As shown in Tables 4 and 6, the Regents owns the fee simple interest in one parcel and is responsible under a lease agreement with Prologis to pay Special Taxes on another parcel (the Regents has an option to purchase the leased parcel).

Ownership by a public agency can raise unique issues under the Mello-Roos Act. First, public agencies are typically exempt from special taxes. However, the Regents purchased the property from the Original Landowner pursuant to a negotiated transaction, and the Mello-Roos Act provides that, in that circumstance, the Regents is responsible to pay the Special Taxes.

Second, a court could rule that the foreclosure remedy may not be pursued against the Regents because of the public interest in the continued operation of the property for its current uses, including as a medical center. As a result, the Successor Agency can provide no assurances that a court will enforce a foreclosure action against the Regents under the applicable provisions of the Mello-Roos Act in the event the Regents is delinquent in the payment of Special Taxes.

Parity Taxes and Special Assessments

The Special Taxes and any penalties thereon will constitute liens against the Taxable Property in the Community Facilities District until they are paid. Such lien is on a parity with all special taxes and special assessments levied by other agencies and is coequal to and independent of the lien for general property taxes regardless of when they are imposed upon the taxable parcel. The Special Taxes have priority over all existing and future private liens imposed on the property. The Successor Agency, however, has no control over the ability of other entities and districts to issue indebtedness secured by special taxes or assessments payable from all or a portion of the Taxable Property within the Community Facilities District. In addition, the landowners within the Community Facilities District may, without the consent or knowledge of the Community Facilities District, petition other public agencies to issue public indebtedness secured by special taxes or assessments, and any such special taxes or assessments may have a lien on such property on a parity with the Special Taxes. The imposition of additional indebtedness could reduce the willingness and the ability of the owners of Taxable Property within the Community Facilities District to pay the Special Taxes when due.

Insufficiency of Special Taxes

In order to pay debt service on the 2013 Bonds, it is necessary that the Special Taxes levied against Taxable Property within the Community Facilities District be paid in a timely manner. The Successor Agency has established the Reserve Fund in an amount equal to the Reserve Requirement to pay debt service on the 2005 Bonds, the 2013 Bonds and any Parity Bonds to the extent Special Taxes are not paid on time and other funds are not available. See "SECURITY FOR THE 2013 BONDS—Reserve Fund" and Appendix A – "SUMMARY OF THE FISCAL AGENT AGREEMENT." Under the Fiscal Agent Agreement, the Successor Agency has covenanted to maintain in the Reserve Fund an amount equal to the Reserve Requirement; subject, however, to the limitations that (i) the Successor Agency may not levy the Special Tax in any fiscal year at a rate in excess of the maximum Special Tax rates permitted under the

Rate and Method and (ii) per the Rate and Method, at no time will Special Taxes levied on property in residential use be increased by more than 10% of the amount levied in the prior Fiscal Year due to delinquencies or defaults of other property owners in the Community Facilities District. See “SECURITY FOR THE 2013 BONDS—Special Taxes.”

Clause (ii) of the preceding sentence is included in the Rate and Method by reason of Government Code Section 53321(d), which provides that in the case of any special tax to pay for public facilities and to be levied against any parcel used for private residential purposes, under no circumstances will the special tax levied in any fiscal year against a private residential parcel be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the Community Facilities District by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. Approximately 24% of the Developed Property in the Community Facilities District is residential property that is subject to 53321(d) (see Table 4 above). Consequently, if a delinquency occurs, the Successor Agency may be unable to replenish the Reserve Fund to the Reserve Requirement due to the limitation of the maximum Special Tax rates. If such defaults were to continue in successive years, the Reserve Fund could be depleted and a default on the 2013 Bonds would occur if proceeds of a foreclosure sale did not yield a sufficient amount to pay the delinquent Special Taxes.

The Successor Agency has made certain covenants regarding the institution of foreclosure proceedings to sell any property with delinquent Special Taxes in order to obtain funds to pay debt service on the 2013 Bonds. See “SECURITY FOR THE 2013 BONDS—Covenant for Superior Court Foreclosure.” If foreclosure proceedings were ever instituted, any mortgage or deed of trust holder could, but would not be required to, advance the amount of delinquent Special Taxes to protect its security interest.

Tax Delinquencies

Under provisions of the Mello-Roos Act, the Special Taxes, from which funds necessary for the payment of principal of, and interest on, the 2013 Bonds are derived, currently are being billed to the Taxable Property within the Community Facilities District on the regular ad valorem real property tax bills sent to owners of the parcels. Such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do regular property tax installments. Special Tax installment payments cannot be made separately from property tax payments. Therefore, the unwillingness or inability of an owner of Taxable Property to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Special Tax installment payments in the future. See “SECURITY FOR THE 2013 BONDS—Reserve Fund” and “-Covenant for Superior Court Foreclosure” for a discussion of the provisions which apply, and procedures which the Successor Agency is obligated to follow under the Fiscal Agent Agreement, in the event of delinquency in the payment of Special Tax installments. See also “THE COMMUNITY FACILITIES DISTRICT” for historical Special Tax delinquency history.

Adjustable Rate and Non-Conventional Mortgages

Since the end of 2002, many individuals financed the purchase of new homes using loans with little or no down payment and with adjustable interest rates that start low and are subject to being reset at higher rates on a specified date or upon the occurrence of specified conditions. Many of these loans allow the borrower to pay interest only for an initial period, in some cases up to 10 years. The post-2008 period has shown that interest rate resets on

adjustable rate loans can lead to defaults in loan payments, property tax delinquencies and declines in property values. These conditions have been aggravated since 2008 by high levels of unemployment.

Homeowners in the Community Facilities District that purchased their homes with adjustable rate and non-conventional loans with no or low down payments may experience difficulty in making their loan payments due to automatic mortgage rate increases and rising interest rates. This could result in an increase in the Special Tax delinquency rates in the Community Facilities District and draws on the Reserve Fund. If there were significant delinquencies in Special Tax collections in the Community Facilities District and the Reserve Fund were fully depleted, there could be a default in the payment of principal of and interest on the 2013 Bonds.

If mortgage loan defaults increase, bankruptcy filings by such homeowners could also increase. Bankruptcy filings by homeowners with delinquent Special Taxes would delay the commencement and completion of foreclosure proceedings to collect delinquent Special Taxes. See “- Bankruptcy Delays.”

Bankruptcy Delays

The payment of the Special Tax and the ability of the Successor Agency to commence a superior court action to foreclose the lien of a delinquent unpaid Special Tax, as discussed in “SECURITY FOR THE 2013 BONDS,” may be limited by bankruptcy, insolvency or other laws generally affecting creditors’ rights or by the laws of the State relating to judicial foreclosure. Any legal opinion to be delivered concurrently with the delivery of the 2013 Bonds (including Bond Counsel’s approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the Special Taxes to become extinguished, bankruptcy of an owner of Taxable Property or any other person claiming an interest in the property could result in a delay in superior court foreclosure proceedings and could result in the possibility of Special Tax installments not being paid in part or in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the 2013 Bonds.

Proceeds of Foreclosure Sales

Pursuant to Section 53356.1 of the Mello-Roos Act, in the event of any delinquency in the payment of any Special Tax, the Successor Agency may order that the Special Taxes be collected by a superior court action to foreclose the lien within specified time limits. The Successor Agency has covenanted in the Fiscal Agent Agreement that it will, under certain circumstances, commence such a foreclosure action. See “SECURITY FOR THE 2013 BONDS—Covenant for Superior Court Foreclosure.”

No assurances can be given that a Taxable Property in the Community Facilities District that would be subject to a judicial foreclosure sale for delinquent Special Taxes will be sold or, if sold, that the proceeds of such sale will be sufficient to pay the delinquent Special Tax installment. Although the Mello-Roos Act authorizes the Successor Agency to cause such an action to be commenced and diligently pursued to completion, the Mello-Roos Act does not

specify any obligation of the Successor Agency with regard to purchasing or otherwise acquiring any lot or parcel of property sold at the foreclosure sale in any such action if there is no other purchaser at such sale and the Successor Agency has not in any way agreed nor does it expect to be such a bidder.

In a foreclosure proceeding, a judgment debtor (i.e., the property owner) has 140 days from the date of service of the notice of levy in which to redeem the property to be sold and may have other redemption rights afforded by law. If a judgment debtor fails to so redeem and the property is sold, his only remedy is an action to set aside the sale, which must be brought within 90 days of the date of sale if the purchaser at the sale was the judgment creditor. If a foreclosure sale is thereby set aside, the judgment is revived and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made.

If foreclosure proceedings were ever instituted, any holder of a mortgage or deed of trust on the affected property could, but would not be required to, advance the amount of the delinquent Special Tax installment to protect its security interest.

In the event such superior court foreclosure or foreclosures are necessary, there could be a delay in principal and interest payments to the owners of the 2013 Bonds pending prosecution of the foreclosure proceedings and receipt by the Community Facilities District of the proceeds of the foreclosure sale, if any. Judicial foreclosure actions are subject to the normal delays associated with court cases and may be further slowed by bankruptcy actions and other factors beyond the control of the Successor Agency, including delay due to crowded local court calendars or legal tactics and, in any event could take several years to complete. In particular, bankruptcy proceedings involving an owner of a taxable parcel in the Community Facilities District could cause a delay, reduction or elimination in the flow of Special Tax Revenues to the Fiscal Agent. See “–Bankruptcy Delays.”

Natural Disasters

Real estate values can be adversely affected by a variety of natural events and conditions, including earthquakes, tsunamis, sea level rise and floods. The Successor Agency expects that one or more of these conditions may occur from time to time, and such conditions may result in damage to property improvements. In addition, the property within the Community Facilities District is located on landfill, which could result in an increase in any damage occurring to property within the Community Facilities District as a result of an earthquake. Any damage resulting from a natural disaster may entail significant repair or replacement costs, and repair or replacement may never occur. Under any of these circumstances, the value of real estate within the Community Facilities District could depreciate substantially and owners of Taxable Property may be less willing or able to pay Special Taxes.

Earthquake. According to the Community Safety element of the General Plan of the City and County of San Francisco (October 2012) (the “**Community Safety Element**”), a working group of earthquake scientists formed by the National Earthquake Prediction Evaluation Council concluded in 2008 that there is a 67% likelihood of one or more major earthquakes (magnitude 6.7 or greater and capable of resulting in substantial damage) occurring in the Bay Area in the next 30 years (<http://earthquake.usgs.gov/regional/nca/ucerf/>). This means that a major quake is twice as likely to occur as it is not to occur.

The final Mission Bay Subsequent Environmental Impact Report (1998) (“**Final SEIR**”) describes the Mission Bay project area as underlain by as much as 45 feet of fill, 10 to 70 feet of

weak, compressible clay known as Bay Mud, 1 to 30 feet of alluvium, and 1 to 40 feet of stiff to hard clay known as Old Bay Clay, which overlie Franciscan bedrock (consisting primarily of layered shale and sandstone). The groundwater table is between 1 and 18 feet below the ground surface. The Final SEIR states that the Mission Bay project area is in a Seismic Hazards Zone for liquefaction and susceptible to earthquake-related groundshaking that would be strong enough to damage buildings and infrastructure, and possible result in injury or loss of life. Finally, the Final SEIR notes that the San Francisco Building Code would require seismically resistant construction in the Mission Bay project area to reduce injury and loss of life during earthquakes: piles must be driven to depths between 30 and about 200 feet to support major structures and to reduce the effects of groundshaking and liquefaction.

Flood. According to the Final SEIR, structures and roadways in the Mission Bay development – including property in the Community Facilities District – could be subject to tidal flooding during the 100-year flood event. Flooding would occur more frequently if sea levels were to rise, as they are currently expected to do. If sea levels were to rise, groundwater levels in the Mission Bay area could rise approximately the same amount.

To mitigate the risk of flooding, the Redevelopment Agency previously required and the City and the Successor Agency currently requires developers of property in Mission Bay to incorporate specific measures designed by a licensed engineer; the measures may include: setback from the water's edge; installation of seawalls, dikes, and/or berms during construction of infrastructure; reduction of the amount of excavation for utilities or basements; and use of topsoil to raise the level of public open spaces.

Sea Level Rise. Sea level rise can lead not only to permanent inundation of land but it can also expand the 100-year floodplain. Land composed of fill near San Francisco Bay – including property in Mission Bay -- is at risk for inundation because of low elevation and subsidence over time due to compaction from buildings and soil desiccation. The Community Safety Element notes that best available projections for California and the Bay Area currently assume 12- 18 inches of sea level rise by 2050 and 21-55 inches of sea level rise by 2100, given current carbon emissions trends, although it also notes that these projections are likely to change over time as climate science progresses.

Tsunamis. Tsunamis are large waves in the ocean generated by earthquakes, coastal or submarine landslides, or volcanoes. Damaging tsunamis are not common on the California coast. Most California tsunami are associated with distant earthquakes (most likely those in Alaska or South America, and recently in Japan), not with local earthquakes. Devastating tsunamis have not occurred in historic times in the San Francisco Bay Area. The Community Safety Element states that, because of the lack of reliable information about the kind of tsunami runups that have occurred in the prehistoric past, there is considerable uncertainty over the extent of tsunami runup that could occur.

The Final SEIR states that the Mission Bay project area is in an area subject to tsunami inundation hazards (as defined in the Community Safety Element of the General Plan) but that the likelihood of tsunami inundation is very slight.

Hazardous Substances

The presence of hazardous substances on a parcel may result in a reduction in the value of a parcel. In general, the owners and operators of a parcel may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous

substances. The Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “**CERCLA**” or the “**Superfund Act**,” is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the taxed parcels be affected by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

According to the Final SEIR, as a result of prior industrial use, the property in the Community Facilities District includes some hazardous materials, although none were known to be radioactive or biohazardous. The Final SEIR describes a quantitative human health and ecological risk assessment prepared by ENVIRON to evaluate the potential risks posed by residual contaminants on the property. The Final SEIR describes the assessment as having concluded that the potential risks would be below applicable human health and aquatic ecological risk criteria because the project, when developed, would create a protective barrier between the residual contaminants in soil and human or ecological populations: (i) after development, currently exposed soils would be covered by buildings or other surfaces such as parking lots or roadways or would be open space or landscaped areas, (ii) any exposed soils would consist of imported fill meeting Regional Water Quality Control Board-approved specifications and (ii) future surface materials in the landscaped or open space areas would consist of approved fill materials.

ENVIRON also prepared a Risk Management Plan (“**RMP**”) in 1999 for the Mission Bay development, which was reviewed by both the California Regional Water Quality Control Board - San Francisco Bay Region and the California Environmental Protection Agency - Department of Toxic Substances Control. The RMP includes protocols for managing the chemicals in the soil and ground water in a manner that is protective of human health and the ecological environment, consistent with the existing and planned future land uses in Mission Bay and compatible with long-term phased development. All of the property within the Community Facilities District No. 6 is subject to the RMP.

Disclosure to Future Purchasers

The willingness or ability of an owner of a Taxable Property to pay the Special Tax, even if the value of the property is sufficient to justify payment, may be affected by whether or not the owner was given due notice of the Special Tax authorization at the time the owner purchased the parcel, was informed of the amount of the Special Tax on the parcel should the Special Tax be levied at the maximum tax rate and, at the time of such a levy, has the ability to pay it as well as pay other expenses and obligations. The former Redevelopment Agency caused a notice of the Special Tax to be recorded in the Office of the Recorder for the City and County of San Francisco against each parcel in the Community Facilities District. Although title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation when purchasing a property within the Community Facilities District or lending money thereon, as applicable.

California Civil Code Section 1102.6b requires that, in the case of transfers, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien

in a format prescribed by statute. Failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

FDIC/Federal Government Interests in Properties

General. The ability of the Community Facilities District to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to Taxable Properties in which the Federal Deposit Insurance Corporation (the “**FDIC**”), the Drug Enforcement Agency, the Internal Revenue Service, or other federal agency has or obtains an interest.

Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest.

The supremacy clause of the United States Constitution reads as follows: “This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the contrary notwithstanding.”

This means that, unless Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes within the Community Facilities District but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in a Taxable Property and the Community Facilities District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government’s mortgage interest. In *Rust v. Johnson* (9th Circuit; 1979) 597 F.2d 174, the United States Court of Appeal, Ninth Circuit held that the Federal National Mortgage Association (“**FNMA**”) is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

The Successor Agency has not undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels subject to the Special Taxes within the Community Facilities District, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the 2013 Bonds are outstanding.

FDIC. In the event that any financial institution making any loan which is secured by Taxable Property within the Community Facilities District is taken over by the FDIC, and prior thereto or thereafter the loan or loans go into default, resulting in ownership of the property by the FDIC, then the ability of the Community Facilities District to collect interest and penalties

specified by State law and to foreclose the lien of delinquent unpaid Special Taxes may be limited.

The FDIC's policy statement regarding the payment of state and local real property taxes (the "**Policy Statement**") provides that property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property's value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution's affairs, unless abandonment of the FDIC's interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC's consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

The Policy Statement states that the FDIC generally will not pay non-ad valorem taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. Special taxes imposed under the Mello-Roos Act and a special tax formula which determines the special tax due each year are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC's federal immunity. The Ninth Circuit issued a ruling on August 28, 2001 in which it determined that the FDIC, as a federal agency, is exempt from Mello-Roos special taxes.

The Successor Agency is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a Taxable Property within the Community Facilities District in which the FDIC has or obtains an interest, although prohibiting the lien of the Special Taxes to be foreclosed on at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at a foreclosure sale. Such an outcome could cause a draw on the Reserve Fund and perhaps, ultimately, if enough Taxable Property was to become owned by the FDIC, a default in payment on the 2013 Bonds.

No Acceleration Provision

The 2013 Bonds and the Fiscal Agent Agreement do not contain a provision allowing for the acceleration of the 2013 Bonds in the event of a payment default or other default under the terms of the 2013 Bonds or the Fiscal Agent Agreement, or in the event interest on the 2013 Bonds becomes included in gross income for federal income tax purposes.

Taxability Risk

As discussed in this Official Statement under the caption "TAX MATTERS," interest on the 2013 Bonds could become includable in gross income for purposes of federal income

taxation retroactive to the date the 2013 Bonds were issued, as a result of future acts or omissions of the Successor Agency in violation of its covenants in the Fiscal Agent Agreement. There is no provision in the 2013 Bonds or the Fiscal Agent Agreement for special redemption or acceleration or for the payment of additional interest on the 2013 Bonds should such an event of taxability occur, and the 2013 Bonds will remain outstanding until maturity or until redeemed under one of the other redemption provisions contained in the Fiscal Agent Agreement.

In addition, as discussed under the caption "TAX MATTERS," Congress has considered in the past, is currently considering and may consider in the future, legislative proposals, including some that carry retroactive effective dates, that, if enacted, would alter or eliminate the exclusion from gross income for federal income tax purposes of interest on municipal bonds, such as the 2013 Bonds. Prospective purchasers of the 2013 Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. The Successor Agency can provide no assurance that federal tax law will not change while the 2013 Bonds are outstanding or that any such changes will not adversely affect the exclusion of interest on the 2013 Bonds from gross income for federal income tax purposes. If the exclusion of interest on the 2013 Bonds from gross income for federal income tax purposes were amended or eliminated, it is likely that the market price for the 2013 Bonds would be adversely impacted.

Enforceability of Remedies

The remedies available to the Fiscal Agent and the registered owners of the 2013 Bonds upon a default under the Fiscal Agent Agreement or any other document described in this Official Statement are in many respects dependent upon regulatory and judicial actions that are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided for under such documents may not be readily available or may be limited. Any legal opinions to be delivered concurrently with the issuance of the 2013 Bonds will be qualified to the extent that the enforceability of the legal documents with respect to the 2013 Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

Judicial remedies, such as foreclosure and enforcement of covenants, are subject to exercise of judicial discretion. A California court may not strictly apply certain remedies or enforce certain covenants if it concludes that application or enforcement would be unreasonable under the circumstances and it may delay the application of such remedies and enforcement.

No Secondary Market

No representation is made concerning any secondary market for the 2013 Bonds. There can be no assurance that any secondary market will develop for the 2013 Bonds. Investors should understand the long-term and economic aspects of an investment in the 2013 Bonds and should assume that they will have to bear the economic risks of their investment to maturity. An investment in the 2013 Bonds may be unsuitable for any investor not able to hold the 2013 Bonds to maturity.

Proposition 218

An initiative measure entitled the "Right to Vote on Taxes Act" (the "**Initiative**") was approved by the voters of the State at the November 5, 1996 general election. The Initiative added Article XIIC and Article XIID to the California Constitution. According to the "Title and

Summary” of the Initiative prepared by the California Attorney General, the Initiative limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Provisions of the Initiative have been and will continue to be interpreted by the courts. The Initiative could potentially impact the Special Taxes otherwise available to the Community Facilities District to pay the principal of and interest on the 2013 Bonds as described below.

Among other things, Section 3 of Article XIII C states, “...the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge.” The Mello-Roos Act provides for a procedure, which includes notice, hearing, protest and voting requirements to alter the rate and method of apportionment of an existing special tax. However, the Mello-Roos Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred pursuant to the Mello-Roos Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. On July 1, 1997, the Governor of the State signed a bill into law enacting Government Code Section 5854, which states that:

Section 3 of Article XIII C of the California Constitution, as adopted at the November 5, 1996, general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protected by Section 10 of Article I of the United States Constitution.

Accordingly, although the matter is not free from doubt, it is likely that Article XIII C has not conferred on the voters the power to repeal or reduce the Special Taxes if such reduction would interfere with the timely retirement of the 2013 Bonds.

It may be possible, however, for voters or the Community Facilities District, the Successor Agency Commission or the Board of Supervisors of the City, acting as the legislative body of the Community Facilities District to reduce the Special Taxes in a manner that does not interfere with the timely repayment of the 2013 Bonds, but which does reduce the maximum amount of Special Taxes that may be levied in any year below the existing levels. Furthermore, no assurance can be given with respect to the future levy of the Special Taxes in amounts greater than the amount necessary for the timely retirement of the 2013 Bonds. Therefore, no assurance can be given with respect to the levy of Special Taxes for Administrative Expenses (as defined in the Fiscal Agent Agreement). Nevertheless, the Successor Agency has covenanted that it will not consent to, or conduct proceedings with respect to, a reduction in the maximum Special Taxes that may be levied in the Community Facilities District below an amount, for any Fiscal Year, equal to 110% of the aggregate of the debt service due on the Bonds in such Fiscal Year, plus a reasonable estimate of Administrative Expenses for each such Fiscal Year. However, no assurance can be given as to the enforceability of the foregoing covenant.

The interpretation and application of Article XIII C and Article XIII D will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination or the timeliness of any remedy afforded by the courts. See “—Enforceability of Remedies.”

Ballot Initiatives

Articles XIII C and XIII D of the California Constitution were adopted pursuant to measures qualified for the ballot pursuant to California's constitutional initiative process, and the State Legislature has in the past enacted legislation that has altered the spending limitations or established minimum funding provisions for particular activities. On March 6, 1995 in the case of Rossi v. Brown, the State Supreme Court held that an initiative can repeal a tax ordinance and prohibit the imposition of further such taxes and that the exemption from the referendum requirements does not apply to initiatives. From time to time, other initiative measures could be adopted by California voters or legislation enacted by the legislature. The adoption of any such initiative or legislation might place limitations on the ability of the State, the Successor Agency, or local districts to increase revenues or to increase appropriations.

TAX MATTERS

Federal tax law contains a number of requirements and restrictions which apply to the 2013 Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Successor Agency has covenanted in the Fiscal Agent Agreement to comply with all requirements that must be satisfied in order for the interest on the 2013 Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the 2013 Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the 2013 Bonds.

Subject to the Successor Agency's compliance with the above-referenced covenants, under present law, in the opinion of Quint & Thimmig LLP, Bond Counsel, interest on the 2013 Bonds (i) is excludable from the gross income of the owners thereof for federal income tax purposes, and (ii) is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the 2013 Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Successor Agency with respect to certain material facts within the Successor Agency's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "**Code**"), includes provisions for an alternative minimum tax ("**AMT**") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("**AMTI**"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "**Adjusted current earnings**" would include certain tax-exempt interest, including interest on the 2013 Bonds.

Ownership of the 2013 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax,

financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax exempt obligations. Prospective purchasers of the 2013 Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the “**Issue Price**”) for each maturity of the 2013 Bonds is the price at which a substantial amount of such maturity of the 2013 Bonds is first sold to the public. The Issue Price of a maturity of the 2013 Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page of this Official Statement.

If the Issue Price of a maturity of the 2013 Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the 2013 Bonds (the “**OID 2013 Bonds**”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID 2013 Bond in the initial public offering at the Issue Price for such maturity and who holds such OID 2013 Bond to its stated maturity, subject to the condition that the Successor Agency comply with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID 2013 Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID 2013 Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Owners of OID 2013 Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID 2013 Bonds.

Owners of 2013 Bonds who dispose of 2013 Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase 2013 Bonds in the initial public offering, but at a price different from the Issue Price or purchase 2013 Bonds subsequent to the initial public offering should consult their own tax advisors.

If a 2013 Bond is purchased at any time for a price that is less than the 2013 Bond's stated redemption price at maturity or, in the case of an OID 2013 Bond, its Issue Price plus accreted original issue discount reduced by payments of interest included in the computation of original issue discount and previously paid (the “**Revised Issue Price**”), the purchaser will be treated as having purchased a 2013 Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a 2013 Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID 2013 Bond for a price that is less than its Revised Issue Price even if the purchase price exceeds par. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such 2013 Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the 2013 Bonds.

An investor may purchase a 2013 Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as “**bond premium**” and must be amortized by an investor on a constant yield basis over the remaining term of the 2013 Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor’s basis in the 2013 Bond. Investors who purchase a 2013 Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the 2013 Bond’s basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the 2013 Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the 2013 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the 2013 Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the “**Service**”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the 2013 Bonds. If an audit is commenced, under current procedures the Service may treat the Successor Agency as a taxpayer and the 2013 Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the 2013 Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax exempt obligations, including the 2013 Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any 2013 Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any 2013 Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

In the further opinion of Bond Counsel, interest on the 2013 Bonds is exempt from California personal income taxes.

Ownership of the 2013 Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the 2013 Bonds. Prospective purchasers of the 2013 Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

The complete text of the final opinion that Bond Counsel expects to deliver upon issuance of the 2013 Bonds is set forth in Appendix C.

LEGAL MATTERS

Concurrently with the issuance of the 2013 Bonds, Quint & Thimmig LLP, San Francisco, California, Bond Counsel, will render its opinion substantially in the form set forth in Appendix C to this Official Statement. Certain legal matters with respect to the 2013 Bonds will be passed upon for the Successor Agency and the Community Facilities District by the City Attorney for the City and County of San Francisco, and for the Successor Agency by Jones Hall, A Professional Law Corporation, San Francisco, California, acting as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by Lofton & Jennings, San Francisco, California. Coblenz, Patch, Duffy & Bass LLP, San Francisco, California, will render an opinion on certain matters for FOCIL-MB, LLC.

Payment of the fees and expenses of Bond Counsel, Disclosure Counsel and Underwriters' Counsel is contingent on the issuance of the 2013 Bonds.

NO RATING

The Successor Agency did not apply for or receive a rating for the 2013 Bonds.

LITIGATION

The Successor Agency is not aware of any pending or threatened litigation challenging the validity of the 2013 Bonds, the Revenues securing the 2013 Bonds, or any action taken by the Successor Agency in connection with the formation of the Community Facilities District, the levying of the Special Taxes or the issuance of the 2013 Bonds.

UNDERWRITING

The 2013 Bonds are being purchased through negotiation by Stifel, Nicolaus & Company, Incorporated, dba Stone & Youngberg, a Division of Stifel Nicolaus, and Backstrom McCarley Berry & Co., LLC (the "**Underwriters**"). The Underwriters agreed to purchase the 2013 Bonds at an aggregate purchase price of \$128,708,249.58, consisting of the sum of the following:

Series 2013A Bonds: \$87,389,160.25 (being the \$81,775,000.00 initial principal amount of the 2013A Bonds, *less* an Underwriters' discount of \$636,536.35 and *plus* an original issue premium of \$6,250,696.60).

Series 2013B Bonds: \$19,891,857.20 (being the \$19,635,000.00 initial principal amount of the 2013B Bonds, *less* an Underwriters' discount of \$151,387.80 and *plus* a net original issue premium of \$408,245.00).

Series 2013C Bonds: \$21,427,232.13 (being the \$21,601,256.00 denominational amount of the 2013C Bonds, *less* an Underwriters' discount of \$174,023.87).

The initial public offering prices set forth on the inside cover page may be changed by the Underwriters. The Underwriters may offer and sell the 2013 Bonds to certain dealers and

others at prices lower than the public offering prices set forth on the inside cover page of this Official Statement.

CONTINUING DISCLOSURE

Successor Agency Continuing Disclosure Certificate. The Successor Agency has covenanted in a Continuing Disclosure Certificate for the benefit of the owners of the 2013 Bonds to provide certain annual financial information and operating data, and to provide notices of the occurrence of certain enumerated events. The Successor Agency agreed in its certificate to file, or cause to be filed, with the MSRB such report and notices. See APPENDIX D – “FORM OF CONTINUING DISCLOSURE CERTIFICATES” for the complete text of the Successor Agency’s Continuing Disclosure Certificate. The covenants of the Successor Agency have been made in order to assist the Underwriters in complying with the Rule.

In the past five years, the former Redevelopment Agency and the Successor Agency did not fail to comply in any material respect with their obligation to file annual reports but did fail on occasion to file notices of bond insurer-related rating downgrades on a timely basis. The Successor Agency has filed notices of all bond rating downgrades and has established procedures that it believes will be sufficient to ensure future compliance with its continuing disclosure undertakings.

FOCIL Continuing Disclosure Certificate. FOCIL will covenant in a continuing disclosure certificate, the form of which is set forth in APPENDIX D – “FORM OF CONTINUING DISCLOSURE CERTIFICATES” (the “**FOCIL Continuing Disclosure Certificate**”), for the benefit of holders and beneficial owners of the 2013 Bonds, to provide (i) on a semi-annual basis, certain information relating to itself, the parcels it owns within the Community Facilities District, the construction of Infrastructure in the Community Facilities District, the property owned by the Regents of the University of California, the property owned by Bay Jacaranda and certain other information described in the FOCIL Continuing Disclosure Certificate (each a “**FOCIL Periodic Report**”), and (ii) notices of the occurrence of certain enumerated events. FOCIL will initially act as its own dissemination agent under the FOCIL Continuing Disclosure Certificate.

The obligations of FOCIL under the FOCIL Continuing Disclosure Certificate will terminate on the earlier of (i) legal defeasance, prior redemption or payment in full of all the 2013 Bonds and (ii) the date on which (A) FOCIL has completed construction of all public infrastructure required to be constructed by FOCIL within the Community Facilities District, (B) the Regents of the University of California has completed and a certificate of occupancy (or an equivalent permit allowing final occupancy) has been issued for the \$1.5 billion medical center project described in the Official Statement, (C) all of the property described in the Official Statement as owned by affiliates of Salesforce has been developed and certified for occupancy and (D) a certificate of occupancy has been issued for the parcels that are owned by ARE-San Francisco No. 15, LLC and for which a certificate of occupancy had not been issued as of the date of issuance of the 2013 Bonds.

A default under the FOCIL Continuing Disclosure Certificate will not, by itself, constitute an Event of Default under the Fiscal Agent Agreement, and the sole remedy under the FOCIL Continuing Disclosure Certificate in the event of any failure of FOCIL to comply will be an action to compel specific performance. *The Successor Agency has no obligation to enforce the continuing disclosure undertaking of FOCIL.*

On one occasion during the past five years, FOCIL filed a report containing the information required in a semi-annual report when it was obligated to file a report containing the information required in an annual report. Otherwise, FOCIL did not fail to comply with previous undertakings to provide periodic continuing disclosure reports or notices of the occurrence of enumerated events within the last five years.

MISCELLANEOUS

Included in this Official Statement are brief summaries of certain documents and reports, which summaries do not purport to be complete or definitive, and reference is made to such documents and reports for full and complete statements of the contents thereof. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Successor Agency or the Community Facilities District and the purchasers or Owners of any of the 2013 Bonds.

The execution and delivery of this Official Statement has been duly authorized by the Successor Agency Commission.

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN FRANCISCO,
for and on behalf of the
REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 6
(MISSION BAY SOUTH PUBLIC
IMPROVEMENTS)

By: \s\ Tiffany Bohee
Executive Director

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT

The following is a summary of certain provisions of the Fiscal Agent Agreement not otherwise described in the text of this Official Statement. Such summary is not intended to be definitive, and reference is made to the text of the Fiscal Agent Agreement for the complete terms thereof.

Definitions

Except as otherwise defined in this summary, the terms previously defined in this Official Statement have the respective meanings previously given. In addition, the following terms have the following meanings when used in this summary.

“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.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311 et seq. of the California Government Code.

“Accreted Value” means, (a) with respect to any Capital Appreciation Bond, the total amount of principal thereof and interest payable thereon as of any Interest Payment Date, determined with respect to the Series 2005B Bonds solely by reference to the Tables of Accreted Values set forth on the respective Series 2005B Bond in the Fiscal Agent Agreement and with respect to the Series 2013C Bonds solely by reference to the Tables of Accreted Values set forth on the respective Series 2013C Bond in the Fiscal Agent Agreement; provided that the Accreted Value of any Capital Appreciation Bond as of any date other than on an Interest Payment Date will be the sum of (i) the Accreted Value as of the Interest Payment Date immediately preceding the date as of which the calculation is being made (or as of the dated date of the related Capital Appreciation Bond, if such calculation is made prior to the date of the first Interest Payment Date following the issuance of the related Capital Appreciation Bonds); and (ii) interest on the Accreted Value determined pursuant to the preceding clause (i), computed to the date as of which the calculation is being made at the respective interest rate set forth on each such Capital Appreciation Bond (computed on the basis of a 360-day year of twelve 30-day months).

“Acquisition Agreement” means the Acquisition Agreement, dated as of June 1, 2001, between Catellus and the Agency, as originally executed and as thereafter amended or supplemented in accordance with its terms, and any other such agreement permitted under the terms of the South OPA.

“Administrative Expenses” means costs directly related to the administration of the District consisting of the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the Finance Director or designee thereof or both) and the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes and the Tax Increment to the Fiscal Agent; fees and costs of the Fiscal Agent (including its legal counsel) in the discharge of the duties required of it under the Fiscal Agent Agreement and the Tax Increment Administration Agreement; the costs of the Agency or its designee of complying with the disclosure provisions of the Act, the Continuing Disclosure Agreement, the Tax Increment Administration Agreement and the Fiscal Agent Agreement,

including those related to public inquiries regarding the Special Tax and disclosures to Bondowners and the Original Purchaser; the costs of the Agency or its designee related to an appeal of the Special Tax; any amounts required to be rebated to the federal government in order for the Agency to comply with the Fiscal Agent Agreement; an allocable share of the salaries of the Agency staff directly related to the foregoing and a proportionate amount of Agency general administrative overhead related thereto. Administrative Expenses will also include amounts advanced by the Agency for any administrative purpose of the District, including costs related to prepayments of Special Taxes, recordings related to such prepayments and satisfaction of Special Taxes, amounts advanced to ensure compliance with the Fiscal Agent Agreement, and the costs of commencing and prosecuting the foreclosure of delinquent Special Taxes.

“Administrative Expense Fund” means the fund by that name established by the Fiscal Agent Agreement.

“Agency” means (i) prior to February 1, 2012, the Redevelopment Agency of the City and County of San Francisco, and (ii) from and after February 1, 2012, the Successor Agency.

“Agency Costs” has the meaning ascribed to such term in the Acquisition Agreement.

“Agreement” means this Fiscal Agent Agreement, as amended and supplemented by Supplemental Agreement No. 1, Supplemental Agreement No. 2 and Supplemental Agreement No. 3, and as it may be further amended or supplemented from time to time by any additional Supplemental Agreement entered into pursuant to the provisions of the Fiscal Agent Agreement.

“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 (including by reason of any mandatory sinking payments pursuant to the Fiscal Agent Agreement or any similar provision in any Supplemental Agreement with respect to Parity Bonds issued after the date of issuance of the Series 2013 Parity-South Bonds), and (ii) the principal amount of the Outstanding Bonds due in such Bond Year (including any mandatory sinking payment due in such Bond Year pursuant to any of the provisions described in the parenthetical in the preceding clause (i)).

“Auditor” means the auditor/controller of the City and County of San Francisco.

“Authorized Officer” means the Executive Director of the Agency, or the Secretary of the Agency, or any other officer or employee of the Agency authorized by the Successor Agency Commission of the Agency, or the Board of Supervisors of the County in its capacity as the legislative body of the Agency, to undertake the action referenced in this Agreement as required or authorized to be undertaken by an Authorized Officer.

“Bond Counsel” means (i) Quint & Thimmig LLP, (ii) the Law Office of Pamela S. Jue, or (iii) any other attorney or firm of attorneys selected by the Agency and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Fund” means the fund by that name established by the Fiscal Agent Agreement.

“Bond Obligation” means, as of any given date of calculation, (a) with respect to any Outstanding Current Interest Bond, the principal amount of such Bond, and (b) with respect to any Outstanding Capital Appreciation Bond, the then Accreted Value thereof.

“Bond Proceeds Account” means the account by that name established within the Improvement Fund pursuant to the Fiscal Agent Agreement.

“Bond Register” means the books for the registration and transfer of Bonds maintained by the Fiscal Agent under the Fiscal Agent Agreement.

“Bond Year” means the one-year period beginning on August 2nd in each year and ending on August 1st in the following year.

“Bonds” means the Series 2005 Parity-South Bonds, the Series 2013 Parity-South Bonds and, if the context requires, any additional Parity Bonds, at any time Outstanding under the Fiscal Agent Agreement.

“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.

“Capital Appreciation Bonds” means the Series 2005B Bonds and the Series 2013C Bonds, in each case on which interest is compounded and paid solely at maturity or upon earlier redemption.

“CDIAC” means the California Debt and Investment Advisory Commission of the office of the State Treasurer of the State of California or any successor agency or bureau thereto.

“Capitalized Interest Account” means the account by that name established pursuant to the Fiscal Agent Agreement.

“Catellus” means Catellus Development Corporation, or its applicable successors or assigns.

“Closing Date” means the date upon which there was a physical delivery of the Series 2013 Parity-South Bonds in exchange for the amount representing the purchase price of the Series 2013 Parity-South Bonds by the Original Purchaser.

“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 proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Continuing Disclosure Agreement” means collectively, (i) the Continuing Disclosure Certificate-Issuer, dated as of June 1, 2001, by the Agency, as originally executed and as it may be amended from time to time in accordance with its terms; (ii) the Continuing Disclosure Certificate of the Agency, dated November 7, 2002, as originally executed and as it may be amended from time to time in accordance with its terms; (iii) the Continuing Disclosure Certificate of the Agency, dated July 26, 2005, as originally executed and as it may be amended from time to time in accordance with its terms; and (iv) the Continuing Disclosure Certificate of the Agency, dated the Closing Date (as defined in the Fiscal Agent Agreement), as originally executed and as it may be amended from time to time in accordance with its terms.

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

“Current Interest Bonds” means the Series 2005A Bonds, the Series 2013A Bonds and the Series 2013B Bonds, all of which pay interest to the Owners thereof on Interest Payment Dates during their respective terms.

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

“Debt Service” means the scheduled amount of interest and amortization of principal payable by reason of the Fiscal Agent Agreement on the Bonds during the period of computation, 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 pursuant to the Fiscal Agent Agreement.

“District” means the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements), formed by the Agency under the Act and the Resolution of Formation.

“District Value” means the market value, as of the date of the appraisal described below, of all parcels of real property in the District 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 and with the proceeds of any proposed series of Parity Bonds, as determined by reference to (i) an appraisal performed within six (6) months of the date of issuance of any proposed Parity Bonds or any proposed release of moneys from any escrow fund by an MAI appraiser (the “Appraiser”) selected by the Agency, or (ii), in the alternative, the assessed value of all such nondelinquent parcels and improvements thereon as shown on the then current County real property tax roll available to the Finance Director. Neither the Agency nor the Finance Director will 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.

“Escrow Agreement” means the Escrow Agreement, dated as of January 1, 2013, by and between the Successor Agency, for and on behalf of the District, and the Escrow Bank.

“Escrow Bank” means Wells Fargo Bank, National Association, in its capacity as escrow bank under the Escrow Agreement.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is the Local Agency Investment Fund of the State of California but only if at all times during which the investment is held its

yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States.

"Federal Securities" means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Fiscal Agent:

(i) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the United States Department of the Treasury) and obligations, the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as "stripped" obligations and coupons; or

(ii) any of the following obligations of the following agencies of the United States of America: (a) direct obligations of the Export-Import Bank, (b) certificates of beneficial ownership issued by the Farmers Home Administration, (c) participation certificates issued by the General Services Administration, (d) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association, (e) project notes issued by the United States Department of Housing and Urban Development, and (f) public housing notes and bonds guaranteed by the United States of America.

"Finance Director" means (i) prior to February 1, 2013, the Deputy Executive Director, Finance and Administration, of the Agency; and (ii) on and after February 1, 2013, such employee of the Agency performing the functions of the chief financial officer of the Agency; or, if there is no such employee, the Executive Director of the Agency.

"Financing Plan" means the Financing Plan which is Attachment E to the South OPA.

"Fiscal Agent" means the Fiscal Agent appointed by the 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 the Fiscal Agent Agreement.

"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.

"Improvement Fund" means the fund by that name created by and held by the Fiscal Agent pursuant to the Fiscal Agent Agreement.

"Independent Financial Consultant" means any consultant or firm of such consultants appointed by the Agency or 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, or the levy and collection of special taxes, under the Act; (ii) is in fact independent and not under the domination of the Agency; (iii) does not have any substantial interest, direct or indirect, with or in the Agency, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the Agency as an officer or employee of the Agency, but who may be regularly retained to make reports to the Agency.

"Information Services" means the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board, (at <http://emma.msrb.org>); and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information

with respect to the redemption of bonds as the Agency may designate in an Officer's Certificate delivered to the Fiscal Agent.

"Interest Payment Dates" means February 1 and August 1 of each year.

"Maturity Amount" means, with respect to any Capital Appreciation Bond, the Accreted Value of such Capital Appreciation Bond (representing both principal and interest payable on any such Bond) at the maturity date thereof.

"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.

"Moody's" means Moody's Investors Service, and any successor thereto.

"Office" means the principal corporate trust office of the Fiscal Agent set forth in the Fiscal Agent Agreement, except for the purpose of maintenance of the registration books and presentation of Bonds for payment, transfer or exchange, such term will mean the office at which the Fiscal Agent conducts its corporate agency business, or such other or additional offices as may be designated by the Fiscal Agent.

"Officer's Certificate" means a written certificate of the Agency signed by an Authorized Officer of the Agency.

"Ordinance" means any ordinance of the Agency levying the Special Taxes.

"Original Purchaser" means, collectively, the first purchasers of the Series 2013 Parity-South Bonds upon their delivery by the Fiscal Agent on the Closing Date.

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of the Fiscal Agent Agreement) 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 the Fiscal Agent Agreement; and (iii) Bonds in lieu of or in substitution for which other Bonds will have been authorized, executed, issued and delivered by the Agency pursuant to the Fiscal Agent Agreement or any Supplemental Agreement.

"Oversight Board" means the Oversight Board for the Successor Agency, as constituted pursuant to the Redevelopment Dissolution Law.

"Owner" or "Bondowner" means any person who will be the registered owner of any Outstanding Bond.

"Parity Bonds" means any bonds issued by the Agency for the District on a parity with any then Outstanding Bonds pursuant to the Fiscal Agent Agreement.

"Participating Underwriter" will have the meaning ascribed thereto in the applicable Continuing Disclosure Agreement.

"Payment Request" has the meaning given such term in the Acquisition Agreement and will be generally in the form of Exhibit A to the Acquisition Agreement.

“Permitted Investments” means any of the following obligations if and to the extent that, at the time of making the investment, they are permitted by law:

(i) Direct obligations of, or obligations the interest on and principal of which are unconditionally guaranteed by, the United States of America, including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America and including any receipt, certificate or any other evidence of an ownership interest in such an obligation or in specified portions thereof (which may consist of specified portions of interest thereon);

(ii) Obligations issued by the Resolution Funding Corporation, the Student Loan Marketing Association, Fannie Mae, the Federal Home Loan Bank Board, the Federal Farm Credit Bank or the Federal Home Loan Mortgage Association, or obligations, participations or other instruments or issued by, or fully guaranteed as to interest and principal by, the Government National Mortgage Association (excluding stripped mortgage backed securities which are valued at greater than par on the unpaid principal);

(iii) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, which are eligible for purchase through a bank that is a member of the Federal Reserve System and which are drawn on any commercial bank the short-term obligations of which commercial bank are rated in the highest letter and numerical rating category as provided by the Rating Agency; provided, that eligible bankers’ acceptances may not exceed two hundred seventy (270) days’ maturity;

(iv) Commercial paper of “prime” quality of the highest rating category as provided by the Rating Agency, which commercial paper is limited to issuing corporations that are organized and operating within the United States of America and that have total assets in excess of five hundred million dollars (\$500,000,000) and that have an “A-1” or “P-1”, or higher (or its equivalent), rating for the issuer’s unsecured debentures, other than commercial paper, as provided by the Rating Agency or Moody’s Investors Service, as applicable; provided, that eligible commercial paper may not exceed one hundred eighty (180) days’ maturity nor represent more than ten percent (10%) of the outstanding commercial paper of any issuing corporation;

(v) Medium-term notes with a maximum maturity of five (5) years which notes are limited to issuing corporations that are organized and operating within the United States of America and that have total assets in excess of five hundred million dollars (\$500,000,000) and that have an “AA” or higher (or its equivalent), rating for the issuer’s unsecured debentures, as provided by the Rating Agency;

(vi) Negotiable and non-negotiable certificates of deposit or bank notes issued by a state or national bank (including the Fiscal Agent and its affiliates) or a state-licensed branch of a foreign bank that have maturities of not more than three hundred sixty-five (365) days and that are fully insured by the Federal Deposit Insurance Corporation or the short term obligations of which state or national bank (including the Fiscal Agent and its affiliates) or state-licensed branch of a foreign bank are rated no lower “AA” (or the equivalent) by the Rating Agency;

(vii) Any repurchase agreement or reverse repurchase agreement of any securities enumerated in subdivisions (i) and (ii) of this definition with any state or national bank or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, and with respect to which

repurchase agreement or reverse repurchase agreement, it is either: (a) with any institution which has debt rated no lower than "AA" (or the equivalent) by the Rating Agency or whose commercial paper is rated no lower than "A1+" (or the equivalent) by the Rating Agency; (b) with any corporation or other entity that falls under the jurisdiction of the Federal Bankruptcy Code; provided, that (1) the term of such repurchase agreement or reverse repurchase agreement is less than one (1) year or due on demand; (2) a third party acting solely as agent has possession of the collateral; (3) the market value of the collateral (as determined at least once every seven (7) days) exceeds the principal amount of the repurchase agreement or reverse repurchase agreement plus accrued interest and the market value of the collateral is maintained at levels acceptable to the Rating Agency; (4) failure to maintain the requisite collateral levels will require an immediate liquidation of collateral; and (5) the repurchase agreement or reverse repurchase agreement securities are free and clear of any third-party lien or claim; or (c) with financial institutions insured by the Federal Deposit Insurance Corporation or any broker-dealer with "retail customers" that falls under the jurisdiction of the Securities Investors Protection Corporation; provided, that (1) the market value of the collateral (as determined at least once every seven (7) days) exceeds the principal amount of the repurchase agreement or reverse repurchase agreement plus accrued interest and the market value of the collateral is maintained at levels acceptable to the Rating Agency; (2) a third party acting solely as agent has possession of the collateral; (3) the agent has a perfected first priority security interest in the collateral; (4) the collateral is free and clear of third-party liens and, in the case of a Securities Investors Protection Corporation broker, was not acquired pursuant to repurchase agreement or reverse repurchase agreement; and (5) failure to maintain the requisite collateral percentage will require an immediate liquidation of the collateral; and with respect to any reverse repurchase agreement, the investment is solely done to supplement the income normally received from such securities;

(viii) Certificates, notes, warrants, bonds or other evidence of indebtedness of the State of California or any local agency therein which are rated in the highest short-term rating category or within one of the two highest long-term rating categories by the Rating Agency (excluding securities that do not have a fixed par value and/or the terms of which do not provide a fixed dollar amount at the maturity or call date);

(ix) Interest-bearing demand or time deposits (including certificates of deposit) in a state or national bank (including the Fiscal Agent and its affiliates) fully insured by the Federal Deposit Insurance Corporation; provided, that not greater than one hundred thousand dollars (\$100,000) in the aggregate will be deposited in any one such financial institution;

(x) Investments in a money-market fund registered under the Federal Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and having a rating by S&P of "AAAM-G," "AAAM" or "AAm" which fund may include a fund for which the Fiscal Agent, its affiliates or its subsidiaries provide investment, advisory or other services;

(xi) Investment agreements with entities that meet and maintain the following credit and collateral requirements: (a), they are initially rated "AA" or better (or its equivalent) by a Rating Agency; (b) if the credit quality falls below "AA-" or its equivalent by either Rating Agency the provider (1) (A) will respond with adequate collateralization within ten (10) Business Days, (B) will value assets weekly, and (C) will present collateral at one hundred two percent (102%) on U.S. Government Treasury securities and one hundred five percent (105%) on U.S. Government Agency securities, or (2) will substitute another entity as the provider so that the rating is AA or better; (c)

the provider must maintain minimum credit quality of "A" or its equivalent by a Rating Agency; and (d) the investment agreement must be subject to termination at the option of the Trustee or the Agency if credit ratings reach "A-" or its equivalent by either Rating Agency; and

(xii) Other investments approved in writing by the Agency.

"Project" means the public improvements and facilities authorized to be financed by the District, as described in the Resolution of Formation.

"Project Supervision Account" means the account by that name established within the Improvement Fund pursuant to the Fiscal Agent Agreement.

"Rating Agency" means Moody's or S&P.

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

"Redevelopment Dissolution Law" means, collectively, AB 26, as amended by AB 1484.

"Refunding Fund" means the fund by that name created by and held by the Escrow Bank pursuant to the Escrow Agreement.

"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.

"Reserve Fund" means the fund by that name established pursuant to the Fiscal Agent Agreement.

"Reserve Requirement" means, as of any date of calculation an amount equal to the lesser of (i) the then Maximum Annual Debt Service, (ii) one hundred twenty-five percent (125%) of the then average Annual Debt Service, or (iii) ten percent (10%) of the initial principal amount of the Bonds issued hereunder; provided that, there will be excluded from the computations contemplated by the preceding clauses (i), (ii) and (iii) Bonds in a principal amount equal to the amount then on deposit in an escrow fund established with the proceeds of Parity Bonds with amounts therein subject to release as described in the Parity Bond provisions of the Fiscal Agent Agreement.

"Resolution of Formation" means Resolution No. 45-2000, adopted by the Commission on March 28, 2000.

"Resolution of Intention" means Resolution No. 27-2000, adopted by the Commission on February 22, 2000.

"Revenue Fund" means the fund by that name established by the Fiscal Agent Agreement.

"Revenues" means all amounts pledged hereunder to the payment of principal of, premium, if any, and interest on the Bonds, consisting of the following: (i) Special Tax Revenues, and (ii) any other amounts remitted by the Agency to the Fiscal Agent with written directions to deposit the same to the Revenue Fund; but such term will not include (i) Tax Increment, or (ii) amounts deposited to the Administrative Expense Fund or the Improvement Fund, or any earnings thereon.

“S&P” means Standard & Poor’s, A Division of The McGraw-Hill Companies, and any successor thereto.

“Securities Depositories” means The Depository Trust Company, 55 Water Street, New York, NY 10041-0099, Fax (212) 855-7232; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Agency may designate in an Officer’s Certificate delivered to the Fiscal Agent.

“Series 2001-South Bonds” means the Bonds so designated and authorized to be issued under the Fiscal Agent Agreement.

“Series 2002 Parity-South Bonds” means the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2002 Parity-South, authorized to be issued under the Fiscal Agent Agreement.

“Series 2005 A Bonds” means the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2005A Parity-South, authorized to be issued under the Fiscal Agent Agreement.

“Series 2005 B Bonds” means the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2005B Parity-South, authorized to be issued under the Fiscal Agent Agreement.

“Series 2005 Parity-South Bonds” means, collectively, the Series 2005 A Bonds and the Series 2005 B Bonds issued and Outstanding under the Fiscal Agent Agreement.

“Series 2013A Bonds” means the Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Refunding Bonds, Series 2013A Parity-South, authorized to be issued under the Fiscal Agent Agreement.

“Series 2013B Bonds” means the Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2013B Parity-South, authorized to be issued under the Fiscal Agent Agreement.

“Series 2013C Bonds” means the Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2013C Parity-South, authorized to be issued under the Fiscal Agent Agreement.

“Series 2013 Parity-South Bonds” means, collectively, the Series 2013A Bonds, the Series 2013B Bonds and the Series 2013C Bonds issued and Outstanding under the Fiscal Agent Agreement.

“South OPA” means the Mission Bay South Owner Participation Agreement, entered into as of November 16, 1998, between the Agency and Catellus Development Corporation, as originally executed and thereafter amended or supplemented in accordance with its terms.

“Special Tax Prepayments” means the proceeds of any Special Tax prepayments received by the Agency, as calculated pursuant to the Rate and Method of Apportionment of the Special Taxes for the District, less any administrative fees or penalties collected as part of any such prepayment.

“Special Tax Prepayments Account” means the account by that name established by the Fiscal Agent Agreement.

“Special Tax Revenues” means the proceeds of the Special Taxes received by the 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. “Special Tax Revenues” does not include any penalties collected in connection with delinquent Special Taxes, which may be forgiven or disposed of by the Agency in its discretion and, if collected, will be used in a manner consistent with the Act.

“Special Taxes” means the special taxes levied within the District pursuant to the Act, the Ordinance and the Fiscal Agent Agreement.

“Successor Agency” means the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, and its successor and assigns.

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

“Supplemental Agreement No. 1” means Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of October 1, 2002, between the Agency, for and on behalf of the District, and the Fiscal Agent.

Supplemental Agreement No. 2” means Supplemental Agreement No. 2 to Fiscal Agent Agreement, dated as of July 1, 2005, between the Agency, for and on behalf of the District, and the Fiscal Agent.

“Supplemental Agreement No. 3” means Supplemental Agreement No. 3 to Fiscal Agent Agreement, dated as of January 1, 2013, between the Successor Agency, for and on behalf of the District, and the Fiscal Agent.

“Tax Consultant” means any Independent Financial Consultant retained by the Agency for the purpose of computing the Special Taxes.

“Tax Increment” means Net Available Increment, as defined in the Financing Plan, but only to the extent remitted to the Fiscal Agent under the terms of the Tax Increment Administration Agreement for deposit (i) to the Tax Increment Proceeds Account, for use as provided in the Fiscal Agent Agreement; or (ii) to the Revenue Fund, to be used for transfers to the Administrative Expense Fund as described in the Fiscal Agent Agreement.

“Tax Increment Administration Agreement” means Tax Increment Administration Agreement, dated as of June 1, 2001, between the Agency and the Fiscal Agent, as executed on the Closing Date and as thereafter amended or supplemented in accordance with its terms.

“Tax Increment Proceeds Account” means the account by that name established within the Improvement Fund pursuant to the Fiscal Agent Agreement.

"2013 Costs of Issuance" means items of expense payable or reimbursable directly or indirectly by the Successor Agency and related to the authorization, sale and issuance of the Series 2013 Parity-South Bonds, which items of expense will include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, fees and charges of the Fiscal Agent relating to the issuance of the Series 2013 Parity-South Bonds, expenses incurred by the Successor Agency, the Oversight Board, the City and County of San Francisco or Mission Bay Development Group, LLC (or any other owner of property in the District) in connection with the issuance of the Series 2013 Parity-South Bonds and the redemption of the Series 2001-South Bonds and the Series 2002 Parity-South Bonds, special tax consultant fees and expenses, Bond (underwriter's) discount, legal fees and charges, including bond counsel and disclosure counsel, financial consultants' fees and expenses, charges for execution, transportation and safekeeping of the Series 2013 Parity-South Bonds and other costs, charges and fees in connection with the foregoing.

"2013 Costs of Issuance Fund" means the fund by that name established and held by the Fiscal Agent pursuant to the Fiscal Agent Agreement.

Funds and Accounts

The Fiscal Agent Agreement provides for the following funds and accounts:

Improvement Fund. There is established under the Fiscal Agent Agreement as a separate fund to be held by the Fiscal Agent, the Improvement Fund. There is hereby created within the Improvement Fund a "Bond Proceeds Account," a "Tax Increment Proceeds Account" and an "Project Supervision Account." There is also established within the Bond Proceeds Account and within the Project Supervision Account separate subaccounts designated as the "2013 Subaccount" of the respective account, which subaccounts are established for purposes of accounting for the use and disposition of Series 2013 Parity-South Bonds, a portion of the proceeds of which will be deposited to such 2013 Subaccounts pursuant to the Fiscal Agent Agreement, and, except as provided in the Fiscal Agent Agreement, amounts in such subaccounts will for all purposes of this Agreement be deemed to be part of the amounts on deposit in the respective accounts to which they pertain. Amounts in the Improvement Fund and the accounts therein are not pledged to the repayment of the Bonds.

Deposits will be made to the accounts within the Improvement Fund as required by the Fiscal Agent Agreement from the proceeds of Parity Bonds as provided in the supplemental agreement pursuant to which such Parity Bonds are issued, as provided in the Tax Increment Administration Agreement, and as provided in The Fiscal Agent Agreement. Moneys in the Improvement Fund and the accounts therein will be held in trust by the Fiscal Agent for the benefit of the Agency. Amounts deposited or held in such fund and accounts will be applied only as provided in the Fiscal Agent Agreement.

Disbursements from the accounts within the Improvement Fund will be made by the Fiscal Agent upon receipt of an Officer's Certificate which will (i) set forth the amount required to be disbursed, the account from which the disbursement is to be made, the purpose for which the disbursement is to be made (which will be for a purpose described in the next two sentences, as applicable), that the disbursement is a proper expenditure from the Improvement Fund, and the person to which the disbursement is to be paid; and (ii) certify that no portion of the amount then being requested to be disbursed was paid pursuant to any Officer's Certificate previously filed requesting a disbursement. Amounts held in the Bonds Proceeds Account and the Tax Increment Proceeds Account will 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; provided that (i) unless otherwise directed by an Authorized Officer in

writing amounts in the Bond Proceeds Account will be used prior to the use of amounts in the Tax Increment Proceeds Account for such purpose; and (ii) amounts in the Tax Increment Proceeds Account may not be used to pay costs of Project for portions thereof which the Agency identifies to the Fiscal Agent as not within or of direct benefit to the South Plan Area (as defined in, and determined by the Agency consistent with the terms of, the South OPA). Amounts held in the Project Supervision Account will be used to pay costs of the Agency or the City incurred in connection with the acquisition of the Project under the Acquisition Agreement (including costs related to inspections, bid package and other reviews, cost verification and any other activities conducted by the City or the Agency or any consultants retained by either of them pursuant to the Acquisition Agreement), or to pay other Agency costs.

In addition to disbursements made pursuant to Officer's Certificates, (i) disbursements from the Bond Proceeds Account and the Tax Increment Proceeds Account within the Improvement Fund will also be made by the Fiscal Agent fifteen days after it has received a Payment Request to the entities and in the amounts designated in such Payment Request; provided that (A) the Fiscal Agent will provide the Agency with a copy of any Payment Request submitted to the Fiscal Agent; (B) no such withdrawal will be made with respect to any Payment Request or any specific payment items in a Payment Request to which the Agency will object (as evidenced by an Officer's Certificate submitted to the Fiscal Agent within the fifteen day period commencing with the Fiscal Agent's receipt of the respective Payment Request); and (C) unless otherwise directed by an Authorized Officer in writing the Fiscal Agent will first use amounts, if any, in the Bond Proceeds Account to satisfy any Payment Request, and then use amounts, if any, in the Tax Increment Proceeds Account; and (ii) disbursements from the Project Supervision Account within the Improvement Fund will be made by the Fiscal Agent upon receipt of a written request of an officer of the Department of Public Works of the City and County of San Francisco, so long as such written request is on its face consistent with a written budget for use of amounts in the Project Supervision Account (and any updates thereto) provided to the Fiscal Agent by an Authorized Officer.

In the event that there are insufficient funds on deposit in the Bond Proceeds Account and/or the Tax Increment Proceeds Account to satisfy a draw on amounts in such accounts pursuant to an Officer's Certificate (in the case of the second preceding paragraph), or a Payment Request (in the case of the preceding paragraph), the Fiscal Agent will notify the Agency in writing as to the amount of the shortfall. The Fiscal Agent will then follow any Written Direction of the Agency received by the Fiscal Agent regarding the use of moneys under the Tax Increment Administration Agreement to satisfy all or a part of the insufficiency.

The Fiscal Agent may conclusively rely on any Officer's Certificate or Payment Request delivered to it in accordance with the Fiscal Agent Agreement as complete authorization to disburse funds in accordance with the Fiscal Agent Agreement.

Moneys in the accounts within the Improvement Fund will be invested and deposited in accordance with the Fiscal Agent Agreement. Interest earnings and profits from such investment and deposit will be deposited and credited by the Fiscal Agent to the respective account within the Improvement Fund to which the investment pertains to be used for the purposes thereof.

Upon the filing of an Officer's Certificate stating that the Project has been completed and that all costs of the Project and all Agency Costs have been paid, or that any such costs are not required to be paid from the Improvement Fund, the Fiscal Agent will transfer (i) the amount, if any, remaining in the Bond Proceeds Account within the Improvement Fund to the Bond Fund to be used to pay debt service on the Bonds, and (ii) the amount, if any, remaining in the Tax Increment Proceeds Account and the Project Supervision Account within the Improvement

Fund to the Agency for application as provided in the Tax Increment Administration Agreement or otherwise in accordance with the Financing Plan.

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 Bond Proceeds Account will not be expended for Project costs or Agency 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 Bond Proceeds Account will not be expended for Project costs or Agency Costs, the Finance Director will file an Officer's Certificate with the Fiscal Agent to that effect and which identifies the amounts then on deposit in the Bond Proceeds Account of the Improvement The Fiscal Agent, upon receipt of such certificate, will transfer the amounts identified therein from the Bond Proceeds Account to the Bond Fund to be used to pay debt service on the Bonds.

Following the disbursement of all amounts in the Improvement Fund and the accounts therein, the Improvement Fund will be closed.

2013 Costs of Issuance Fund.

There is established under the Fiscal Agent Agreement as a separate fund to be held by the Fiscal Agent, the 2013 Costs of Issuance Fund, to the credit of which a deposit will be made as required by the Fiscal Agent Agreement. Moneys in the 2013 Costs of Issuance Fund will be held in trust by the Fiscal Agent and will be disbursed as provided in the Fiscal Agent Agreement for the payment or reimbursement of 2013 Costs of Issuance. Amounts in this fund are not pledged to the repayment of the Bonds.

Amounts in the 2013 Costs of Issuance Fund will be disbursed from time to time to pay 2013 Costs of Issuance, as set forth in a requisition containing respective amounts to be paid to the designated payees, signed by the Finance Director and delivered to the Fiscal Agent concurrently with the delivery of the Bonds. The Fiscal Agent will pay all 2013 Costs of Issuance after receipt of an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee pursuant to an Officer's Certificate requesting payment of 2013 Costs of Issuance. The Fiscal Agent will maintain the 2013 Costs of Issuance Fund for a period of six months from the date of delivery of the Series 2013 Parity-South Bonds and then will transfer any moneys remaining therein, including any investment earnings thereon, to the Bond Proceeds Account of the Improvement Fund.

Moneys in the 2013 Costs of Issuance Fund will be invested and deposited in accordance with the Fiscal Agent Agreement. Interest earnings and profits resulting from said investment will be retained by the Fiscal Agent in the 2013 Costs of Issuance Fund to be used for the purposes of such fund.

Reserve Fund.

There is established under the Fiscal Agent Agreement as a separate fund to be held by the Fiscal Agent the Reserve Fund, to the credit of which a deposit will be made as required by the Fiscal Agent Agreement to increase the amount on deposit therein to the Reserve Requirement as of the Closing Date for the Series 2013 Parity-South Bonds, and deposits will be made as provided in the Fiscal Agent Agreement. There is also created within the Reserve

Fund a separate subaccount designated as the "2013 Subaccount" which subaccount is established for purposes of accounting for the use and disposition of Series 2013 Parity-South Bonds, a portion of the proceeds of which will be deposited to such 2013 Subaccount pursuant to the Fiscal Agent Agreement, and amounts in such subaccount will for all purposes of the Fiscal Agent Agreement be deemed to be part of the amounts on deposit in the Reserve Fund and amounts in such 2013 Subaccount and any earnings thereon in such 2013 Subaccount will be drawn upon pro rata with all other amounts in the Reserve Fund whenever a draw is made on the Reserve Fund under the Fiscal Agent Agreement.

Moneys in the Reserve Fund will be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds as a reserve for the payment of principal of, and interest and any premium on, the Bonds and will be subject to a lien in favor of the Owners of the Bonds.

Except as otherwise provided in the Fiscal Agent Agreement, all amounts deposited in the Reserve Fund will 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 the Fiscal Agent Agreement, for the purpose of redeeming Bonds from the Bond Fund.

Whenever, on the Business Day prior to 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 will provide written notice to the Finance Director of the amount of the excess and will transfer an amount equal to the excess from the Reserve Fund to the following funds in the following order of priority: (i) so long as the Improvement Fund has not theretofore been closed pursuant to the Fiscal Agent Agreement, to the Bond Proceeds Account of the Improvement Fund to be used for the purposes thereof, and (ii) if the Improvement Fund is then closed, to the Bond Fund to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with the Fiscal Agent Agreement.

Whenever the balance in the Reserve Fund equals or 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 will upon the written direction of the Finance Director transfer the amount in the Reserve Fund to the Bond Fund to be applied, on the next succeeding Interest Payment Date to the payment and redemption, in accordance with the Fiscal Agent Agreement, 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 will be transferred to the Agency to be used for any lawful purpose of the Agency.

Notwithstanding the foregoing, no amounts will be transferred from the Reserve Fund pursuant to the Fiscal Agent Agreement until after (i) the calculation of any amounts due to the federal government pursuant to the Fiscal Agent Agreement following payment of the Bonds and withdrawal of any such amount from the Reserve Fund for purposes of making such payment to the federal government, and (ii) payment of any fees and expenses due to the Fiscal Agent.

Whenever Special Taxes are prepaid and Bonds are to be redeemed with the proceeds of such prepayment pursuant to the Fiscal Agent Agreement, 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) will 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 the Fiscal Agent Agreement.

Amounts in the Reserve Fund may at any time be used, at the written direction of an Authorized Officer, for purposes of paying any rebate liability under the Fiscal Agent Agreement.

Bond Fund.

There is established under the Fiscal Agent Agreement as a separate fund to be held by the Fiscal Agent the Bond Fund, to the credit of which deposits will be made as required by the Fiscal Agent Agreement, and any other amounts required to be deposited therein by the Act. There is also created in the Bond Fund a separate account to be held by the Fiscal Agent consisting of the Special Tax Prepayments Account, to the credit of which deposits will be made as provided in the Fiscal Agent Agreement.

Moneys in the Bond Fund and the account therein will be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds, will be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, will be subject to a lien in favor of the Owners of the Bonds.

On each Interest Payment Date, the Fiscal Agent will withdraw from the Bond Fund and pay to the Owners of the Bonds the principal, and interest and any premium, then due and payable on the Bonds, including any amounts due on the Bonds by reason of the sinking payments set forth in the Fiscal Agent Agreement, or a redemption of the Bonds required by the Fiscal Agent Agreement, such payments to be made in the priority listed in the second succeeding paragraph. Notwithstanding the foregoing, amounts in the Bond Fund as a result of a transfer from the Improvement Fund pursuant to the Fiscal Agent Agreement will be used to pay the principal of and interest on the Bonds prior to the use of any other amounts in the Bond Fund for such purpose.

In the event that amounts in the Bond Fund are insufficient for the purposes set forth in the preceding paragraph, the Fiscal Agent will withdraw from the Reserve Fund to the extent of any funds therein amounts to cover the amount of such Bond Fund insufficiency. Amounts so withdrawn from the Reserve Fund will 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 Fiscal Agent Agreement, the Fiscal Agent will 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, and then to payment of principal due on the Bonds by reason of sinking payments. Any sinking payment not made as scheduled will be added to the sinking payment to be made on the next sinking payment date.

Moneys in the Special Tax Prepayments Account will 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 the Fiscal Agent Agreement, and notice to the Fiscal Agent can timely be given under the Fiscal Agent Agreement, and will be used (together with any amounts transferred pursuant to the Fiscal Agent Agreement) to redeem Bonds on the redemption date selected in accordance with the Fiscal Agent Agreement.

Moneys in the Bond Fund and the Special Tax Prepayments Account will be invested and deposited in accordance with the Fiscal Agent Agreement. Interest earnings and profits resulting from the investment and deposit of amounts in the Bond Fund and the Special Tax Prepayments Account will be retained in the Bond Fund and such account, respectively, to be used for purposes of such fund and account.

Revenue Fund.

There is established under the Fiscal Agent Agreement as a separate fund to be held by the Fiscal Agent, the Revenue Fund, to the credit of which the Fiscal Agent will deposit, as soon as practicable following receipt by the Fiscal Agent from the Agency, any Revenues and any amounts required by the Fiscal Agent Agreement to be deposited therein. Notwithstanding the foregoing, (i) any proceeds of Special Tax Prepayments will be transferred by the Finance Director directly to the Fiscal Agent for deposit by the Fiscal Agent in the Special Tax Prepayments Account established pursuant to the Fiscal Agent Agreement, and (ii) any Special Tax Revenues constituting payments of delinquent Special Taxes and identified by the Agency to the Fiscal Agent as such will be transferred to the Reserve Fund as necessary to increase the amount on deposit therein to the then Reserve Requirement.

Moneys in the Revenue Fund will be held in trust by the Fiscal Agent for the benefit of the Agency and the Owners of the Bonds, will be disbursed as provided below and, pending disbursement, will be subject to a lien in favor of the Owners of the Bonds and the Agency.

On the third Business Day before each Interest Payment Date, the Fiscal Agent will withdraw from the Revenue 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 Improvement Fund and the Special Tax Prepayments Account to the Bond Fund pursuant to the Fiscal Agent Agreement, 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 the next Interest Payment Date, and (ii) to the Reserve Fund the amount, if any, necessary to increase the amount on deposit therein to the then Reserve Requirement. Amounts then in the Revenue Fund will also be transferred from time to time by the Fiscal Agent to the Administrative Expense Fund as necessary to pay Administrative Expenses, upon receipt by the Fiscal Agent of a Officer's Certificate requesting such a transfer, but any such transfers will not exceed, in any Fiscal Year, the aggregate of (i) the amount, if any, included in the Special Tax levy for such Fiscal Year for Administrative Expenses and (ii) the amount of any Tax Increment transferred to the Fiscal Agent under the Tax Increment Administration Agreement for deposit in the Revenue Fund and identified by the Agency to be used to pay Administrative Expenses. Finally, amounts in the Revenue Fund at the end of each Bond Year, following any transfers to be made on the last day of the Bond Year, will be retained in the Revenue Fund to be used in the next Bond Year for the purposes of the Revenue Fund.

Moneys in the Revenue Fund will be invested and deposited in accordance with The Fiscal Agent Agreement. Interest earnings and profits resulting from such investment and deposit will be retained in the Revenue Fund to be used for the purposes thereof.

Administrative Expense Fund.

There is established under the Fiscal Agent Agreement as a separate fund to be held by the Fiscal Agent, the Administrative Expense Fund to the credit of which deposits will be made as required by the Fiscal Agent Agreement. Moneys in the Administrative Expense Fund will be held in trust by the Fiscal Agent for the benefit of the Agency, and will be disbursed as provided below. Amounts in this fund are not pledged to the repayment of the Bonds.

Amounts in the Administrative Expense Fund will be withdrawn by the Fiscal Agent and paid to the Agency or its order upon receipt by the Finance Director of an Officer's Certificate stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense or a Costs of Issuance, the nature of such Administrative Expense or Costs of Issuance, and stating that none of the items for which the disbursement is sought are

Agency Costs paid or to be paid from Annual Tax Increment Revenues under and as such term is defined in the Tax Increment Administration Agreement. Amounts transferred from the 2013 Costs of Issuance Fund to the Administrative Expense Fund pursuant to the Fiscal Agent Agreement will be separately identified at all times, and will be expended for purposes of the Administrative Expense Fund prior to the use of amounts transferred to the Administrative Expense Fund from the Revenue Fund pursuant to the Fiscal Agent Agreement.

Annually, on the last day of each Fiscal Year, the Fiscal Agent will withdraw any amounts then remaining in the Administrative Expense Fund and transfer such amounts to the Revenue Fund.

Moneys in the Administrative Expense Fund will be invested and deposited in accordance with the Fiscal Agent Agreement. Interest earnings and profits resulting from said investment will be retained in the Administrative Expense Fund to be used for the purposes thereof.

Parity Bonds

Issuance of Parity Bonds. The Agency may from time to time issue bonds for the District (the "Parity Bonds"), in addition to the Series 2005 Parity-South Bonds and the Series 2013 Parity-South Bonds authorized under the Fiscal Agent Agreement, by means of a Supplemental Agreements and without the consent of any Bondowners, upon compliance with the provisions of the Fiscal Agent Agreement. Any such Parity Bonds will constitute Bonds under the Fiscal Agent Agreement and will be secured by a lien on the Revenues and funds pledged for the payment of the Bonds under the Fiscal Agent Agreement on a parity with all other Bonds Outstanding under the Fiscal Agent Agreement. The Agency may issue the Parity Bonds subject to the following specific conditions precedent:

(A) Current Compliance. The Agency will be in compliance on the date of issuance of the Parity Bonds with all covenants set forth in the Fiscal Agent Agreement and all Supplemental Agreements.

(B) Payment Dates. The Supplemental Agreement providing for the issuance of such Parity Bonds will provide that interest thereon will be payable on February 1 and August 1, and principal thereof will be payable on August 1 in any year in which principal is payable (provided that there will be no requirement that any Parity Bonds pay interest on a current basis).

(C) Funds and Accounts; Reserve Fund Deposit. The Supplemental Agreement providing for the issuance of such Parity Bonds may provide for the establishment of separate funds and accounts, and will provide for a deposit to the Reserve Fund in an amount necessary so that the amount on deposit therein, following the issuance of such Parity Bonds, is equal to the Reserve Requirement.

(D) Value-to-Lien Ratio. The District Value will 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 District 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 District (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 District,

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 special taxes needed to pay maximum annual debt service on the Other District Bonds when it occurs), based upon information from the most recent available Fiscal Year. For purposes of the Fiscal Agent Agreement, there will be excluded from the principal amount of any Bonds or Parity Bonds the portion thereof (if any) (i) representing amounts on deposit in an escrow fund subject to release only when the District Value is at least three times the then Outstanding principal amount of the Bonds, plus the outstanding principal amount of any other special tax or assessment bonds secured by liens imposed upon land located in the District, or (ii) the payment of debt service on which is secured by a letter of credit or other similar security, which may be discharged upon a determination by an Authorized Officer that the requirements of the Fiscal Agent Agreement have been satisfied with respect to all Bonds not so secured.

(E) The Special Tax Coverage. The Agency will obtain a certificate of a Tax Consultant to the effect that the amount of the maximum Special Taxes that may be levied in each Fiscal Year will be at least one hundred ten percent (110%) of the total Annual Debt Service for each such Fiscal Year on the Bonds and the proposed Parity Bonds plus estimated Administrative Expenses.

(F) Officer's Certificate. The Agency will 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) above have been satisfied.

Covenants of the Agency

Punctual Payment. The 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 the Fiscal Agent Agreement and any Supplemental Agreement, and it will faithfully observe and perform all of the conditions covenants and requirements of the Fiscal Agent Agreement and all Supplemental Agreements and of the Bonds.

Limited Obligation. The Bonds are limited obligations of the Agency on behalf of the District and are payable solely from and secured solely by the Revenues and the amounts in the Bond Fund including the Special Tax Prepayments Account therein), the Reserve Fund and the Revenue Fund created under the Fiscal Agent Agreement.

Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the Agency will 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 will 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 will be extended or funded, whether or not with the consent of the Agency, such claim for interest so extended or funded will not be entitled, in case of default under the Fiscal Agent Agreement, to the benefits of the Fiscal Agent 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 will not have so extended or funded.

Against Encumbrances. The 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 created by the Fiscal Agent Agreement for the benefit of the Bonds, except as permitted by the Fiscal Agent Agreement.

Books and Records. The Agency will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Agency, in which complete and correct entries will be made of all transactions relating to the Revenues. Such books of record and accounts will 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.

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 will be made of all transactions relating to the expenditure of amounts disbursed from the Bond Fund (including the Special Tax Prepayments Account therein), the Improvement Fund (including the accounts therein), the Administrative Expense Fund, the Reserve Fund and the Costs of Issuance Fund. Such books of record and accounts will at all times during business hours be subject to the inspection of the 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.

Protection of Security and Rights of Owners. The 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 Agency, the Bonds will be incontestable by the Agency.

Compliance with Law. The Agency will comply with all applicable provisions of the Act and law in administering the District and completing the acquisition of the Project.

Collection of Revenues. The Agency will 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. The Finance Director will effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance 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 District for inclusion on the next real property tax roll. Upon the completion of the computation of the amounts of the levy, the Finance Director will prepare or cause to be prepared, and will 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. Notwithstanding the foregoing, any Special Taxes to be levied on possessory interests will be communicated by the Finance Director to the Auditor at such time as is necessary to include such amounts on the County's unsecured tax rolls for the applicable Fiscal Year.

The Finance Director will fix and levy the amount of Special Taxes within the District required for the payment of principal of and interest on any outstanding Bonds of the District becoming due and payable during the ensuing 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 obligation under the Fiscal Agent Agreement) during such year, taking into account the balances in such funds and in the Revenue Fund. The Special Taxes so levied will not exceed the authorized amounts as provided in the proceedings pursuant to the Resolution of Formation.

The Special Taxes will 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.

Notwithstanding the foregoing, the Finance Director may in his discretion cause the collection of any Special Taxes by direct, first class mail billing to the then owner of each parcel or possessory interest, as applicable, so owned in lieu of billing for such Special Taxes in the same manner as general taxes as aforesaid. Such direct mail billing will be made not later than November 1 of the Fiscal Year and will direct the owner of the property affected to pay the Special Taxes directly to the Finance Director in two equal installments, the first of which will be due and delinquent if not paid on December 10 and the second of which may be paid with the first and which, in any event, will be due and delinquent if not paid on April 10 of the Fiscal Year. Any such Special Taxes so billed will have the same priority and bear the same proportionate penalties and interest after delinquency as do the ad valorem taxes on real property.

Covenant to Foreclose. Pursuant to Section 53356.1 of the Act, the Agency covenants with and for the benefit of the owners of the Bonds that it will order, and cause to be commenced as provided in the Fiscal Agent Agreement, 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 will notify the Agency Attorney of any such delinquency of which it is aware, and the Agency Attorney will commence, or cause to be commenced, such proceedings.

On or about February 15 and June 15 of each Fiscal Year, the Finance Director will compare the amount of Special Taxes theretofore levied in the District to the amount of Special Tax Revenues theretofore received by the Agency:

(A) Individual Delinquencies. If the Finance Director determines that any single parcel subject to the Special Tax in the District is delinquent in the payment of Special Taxes in the aggregate amount of \$2,500 or more, then the Finance Director will 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 will be commenced by the Agency within 90 days of such determination to the extent permissible under the County's Teeter Plan program and applicable law. Notwithstanding the foregoing, 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 District, (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 District, determined by reference to the latest available secured property tax roll of the County, the Agency will 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 will commence foreclosure proceedings within 90 days of such determination against each parcel of land in the District with a Special Tax delinquency.

Further Assurances. The 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 the Fiscal Agent Agreement, and for the better assuring and confirming unto the Owners of the rights and benefits provided in the Fiscal Agent Agreement.

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

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

Rebate Requirement. The Agency will take any and all actions necessary to assure compliance with section 148(f) of the 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 Bonds. If necessary, the Agency may use amounts in the Reserve Fund, amounts on deposit in the Administrative Expense Fund, and any other funds available to the District, including amounts advanced by the Agency, in its sole discretion, to be repaid by the District as soon as practicable from amounts described in the preceding clauses, to satisfy its obligations under the Fiscal Agent Agreement. The Finance Director will take note of any investment of monies under the Fiscal Agent Agreement in excess of the yield on the Bonds, and will take such actions as are necessary to ensure compliance with the Fiscal Agent Agreement, 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 the Fiscal Agent Agreement.

No Arbitrage. The Agency will not take, or permit or suffer to be taken by the Fiscal Agent or otherwise, any action with respect to the proceeds of the 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 Bonds would have caused the Bonds to be “arbitrage bonds” within the meaning of section 148 of the Code.

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

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

Continuing Disclosure to Owners. In addition to its obligations under the Fiscal Agent Agreement, the Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of the Fiscal Agent Agreement, failure of the Agency to comply with the Continuing Disclosure Agreement will not be considered a default hereunder; however, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance by the Agency of its obligations thereunder, including seeking mandate or specific performance by court order.

Reduction of Special Taxes. The Agency covenants and agrees to not consent or conduct proceedings with respect to a reduction in the maximum Special Taxes that may be levied in the District below an amount, for any Fiscal Year, equal to 110% of the aggregate of the debt service due on the Bonds in such Fiscal Year, plus a reasonable estimate of Administrative Expenses for such Fiscal Year. It is hereby acknowledged that Bondowners are purchasing the Bonds in

reliance on the foregoing covenant, and that said covenant is necessary to assure the full and timely payment of the Bonds.

Limits on Special Tax Waivers and Bond Tenders. The 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 Agency having insufficient Special Tax revenues to pay the principal of and interest on the Bonds that will remain Outstanding following such tender.

Release of Property Subject to Special Tax Lien. The Agency may at anytime, without notice to or the consent of the Fiscal Agent or the Bondowners, release property in the District with respect to which the Special Taxes have been fully prepaid from the lien of Special Taxes, all pursuant to and in accordance with the provisions of Section G of the Rate and Method of Apportionment of Special Taxes for the District.

Compliance With Redevelopment Dissolution Law. The Agency covenants and agrees to take all actions within its power and as otherwise may be required under the Redevelopment Dissolution Law (as defined in the Fiscal Agent Agreement) to cause the Special Taxes to be used to timely pay the scheduled debt service on the Bonds.

Investments

Deposit and Investment of Moneys in Funds. Moneys in any fund or account created or established by the Fiscal Agent Agreement and held by the Fiscal Agent will be invested by the Fiscal Agent in Permitted Investments, 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. The Fiscal Agent may rely on any such Officer's Certificate as to the legality of any such investment. In the absence of any such Officer's Certificate, the Fiscal Agent will invest, to the extent reasonably practicable, any such moneys in Permitted Investments described in clause (x) of the definition thereof in the Fiscal Agent Agreement, which by their terms mature prior to the date on which such moneys are required to be paid out under the Fiscal Agent Agreement. The Finance Director will make note of any investment of funds under the Fiscal Agent Agreement in excess of the yield on the Bonds, so that appropriate actions can be taken to assure compliance with the Fiscal Agent Agreement.

Obligations purchased as an investment of moneys in any fund will be deemed to be part of such fund or account, subject, however, to the requirements of the Fiscal Agent Agreement for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts. Whenever in the Fiscal Agent Agreement any moneys are required to be transferred by the Agency to the Fiscal Agent, such transfer may be accomplished by transferring a like amount of Permitted Investments.

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 will incur any liability for losses arising from any investments made pursuant to the Fiscal Agent Agreement. The Fiscal Agent will not be required to determine the legality of any investments.

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to the Fiscal Agent Agreement, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code) will be

acquired, disposed of, and valued (as of the date that valuation is required by this Agreement or the 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 Code and (unless valuation is undertaken at least annually) investments in the subaccounts within the Reserve Fund will be valued at their present value (within the meaning of section 148 of the Code). The Fiscal Agent will not be liable for verification of the application of such sections of the Code.

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 in the Fiscal Agent Agreement 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 under the Fiscal Agent Agreement, provided that the Fiscal Agent or the Finance Director, as applicable, will 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 the Fiscal Agent Agreement.

The Fiscal Agent or the Finance Director, as applicable, will sell at Fair Market Value, or present for redemption, any investment security whenever it will 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 will be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance with the Fiscal Agent Agreement.

Liability of Agency

The Agency will not incur any responsibility in respect of the Bonds or the Fiscal Agent Agreement other than in connection with the duties or obligations explicitly in the Fiscal Agent Agreement or in the Bonds assigned to or imposed upon it. The Agency will not be liable in connection with the performance of its duties under the Fiscal Agent Agreement, except for its own negligence or willful default. The Agency will 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 in the Fiscal Agent Agreement 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.

In the absence of bad faith, the 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 Agency and conforming to the requirements of the Fiscal Agent Agreement. The Agency, including the Finance Director, will not be liable for any error of judgment made in good faith unless it will be proved that it was negligent in ascertaining the pertinent facts.

No provision of the Fiscal Agent Agreement will require the 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 under the Fiscal Agent Agreement, or in the exercise of any of its rights or powers, if it will have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Agency and the Finance Director may rely and will 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 Agency may consult with counsel, who may be the Agency's General Counsel, with regard to legal questions, and the opinion of such

counsel will be full and complete authorization and protection in respect of any action taken or suffered by it under the Fiscal Agent Agreement in good faith and in accordance therewith.

The Agency will 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 satisfactory established, if disputed.

Whenever in the administration of its duties under the Fiscal Agent Agreement the Agency or the Finance Director deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Fiscal Agent Agreement, such matter (unless other evidence in respect thereof be specifically prescribed in the Fiscal Agent Agreement) may, in the absence of willful misconduct on the part of the Agency, be deemed to be conclusively proved and established by a certificate of the Fiscal Agent, an Independent Financial Consultant or a Tax Consultant, and such certificate will be full warrant to the Agency and the Finance Director for any action taken or suffered under the provisions of the Fiscal Agent Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Agency or the Finance Director may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

In order to perform its duties and obligations under the Fiscal Agent Agreement, the Agency and/or the Finance Director may employ such persons or entities as it deems necessary or advisable. The Agency will not be liable for any of the acts or omissions of such persons or entities employed by it in good faith under the Fiscal Agent Agreement, and will be entitled to rely, and will be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

The Fiscal Agent

Appointment of Fiscal Agent. Wells Fargo Bank, National Association, is appointed Fiscal Agent and paying agent for the Bonds. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in the Fiscal Agent Agreement, and no implied covenants or obligations will be read into the Fiscal Agent Agreement against the Fiscal Agent.

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 will 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 will be eligible under the Fiscal Agent Agreement, will be the successor to such Fiscal Agent without the execution or filing of any paper or any further act, anything in the Fiscal Agent Agreement to the contrary notwithstanding.

Upon thirty (30) days prior written notice, the Agency may remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor will be a bank, corporation 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, corporation 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 the Fiscal Agent Agreement, combined capital and surplus of such bank or trust company will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Fiscal Agent may at any time resign by giving written notice to the Agency and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the Agency will promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent will become effective upon acceptance of appointment by the successor Fiscal Agent.

If no appointment of a successor Fiscal Agent will be made pursuant to the Fiscal Agent Agreement within forty-five (45) days after the Fiscal Agent will have given to the Agency written notice or after a vacancy in the office of the Fiscal Agent will have occurred by reason of its inability to act, the Fiscal Agent 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.

If, by reason of the judgment of any court, or reasonable agency, the Fiscal Agent is rendered unable to perform its duties under the Fiscal Agent Agreement, all such duties and all of the rights and powers of the Fiscal Agent under the Fiscal Agent Agreement will be assumed by and vest in the Finance Director of the Agency in trust for the benefit of the Owners. The Agency covenants for the direct benefit of the Owners that its Finance Director in such case will be vested with all of the rights and powers of the Fiscal Agent under the Fiscal Agent Agreement, and will assume all of the responsibilities and perform all of the duties of the Fiscal Agent under the Fiscal Agent Agreement, in trust for the benefit of the Owners of the Bonds. In such event, the Finance Director may designate a successor Fiscal Agent qualified to act as Fiscal Agent under the Fiscal Agent Agreement.

Liability of Fiscal Agent. The recitals of facts, covenants and agreements in the Fiscal Agent Agreement and in the Bonds will be taken as statements, covenants and agreements of the Agency, and the Fiscal Agent assumes no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of the Fiscal Agent Agreement or of the Bonds, or will incur any responsibility in respect thereof, other than in connection with the duties or obligations in the Fiscal Agent Agreement or in the Bonds assigned to or imposed upon it. The Fiscal Agent will not be liable in connection with the performance of its duties under the Fiscal Agent Agreement, except for its own negligence or willful default. 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.

In the absence of bad faith, the Fiscal Agent 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 Fiscal Agent pursuant to the requirements of the Fiscal Agent Agreement; but in the case of any such certificates or opinions by which any provision of the Fiscal Agent Agreement are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent will be under a duty to examine the same to determine whether or not they conform to the procedural requirements of the Fiscal Agent Agreement. Except as provided above in this paragraph, Fiscal Agent will be protected and will incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of the Fiscal Agent Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it will in good faith 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 the Fiscal Agent Agreement, and the Fiscal Agent will not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Fiscal Agent will not be liable for any error of judgment made in good faith unless it will be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

No provision of the Fiscal Agent Agreement will 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 under the Fiscal Agent Agreement, or in the exercise of any of its rights or powers.

The Fiscal Agent will be under no obligation to exercise any of the rights or powers vested in it by the Fiscal Agent Agreement at the request or direction of any of the Owners pursuant to the Fiscal Agent Agreement unless such Owners will have offered to the Fiscal Agent reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

The Fiscal Agent may become the owner of the Bonds with the same rights it would have if it were not the Fiscal Agent.

Information. The Fiscal Agent will provide to the Agency such information relating to the Bonds and the funds and accounts maintained by the Fiscal Agent under the Fiscal Agent Agreement as the Agency will reasonably request, including but not limited to quarterly statements reporting funds held and transactions by the Fiscal Agent.

Notice to and Other Provisions Affecting Fiscal Agent. The Fiscal Agent may rely and will 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 in good faith 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 Agency, with regard to legal questions, and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered by it under the Fiscal Agent Agreement in good faith and in accordance therewith.

The Fiscal Agent will 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.

Whenever in the administration of its duties under the Fiscal Agent Agreement the Fiscal Agent deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Fiscal Agent Agreement, such matter (unless other evidence in respect thereof be specifically prescribed in the Fiscal Agent Agreement) 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, and such certificate will be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of the 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.

Compensation, Indemnification. The Agency will pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under the Fiscal Agent Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Fiscal Agent Agreement, but the Fiscal Agent will not have a lien therefor on any funds at any time held by it under the Fiscal Agent Agreement. The 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 costs, expenses, claims or liabilities whatsoever, including without limitation fees and expenses of its attorneys, which it may incur in the exercise and performance of its powers and duties under the Fiscal Agent Agreement which are not due to its negligence or willful misconduct.

The obligation of the Agency under the Fiscal Agent Agreement will survive resignation or removal of the Fiscal Agent under the Fiscal Agent Agreement and payment of the Bonds and discharge of the Fiscal Agent Agreement, but any monetary obligation of the Agency arising under the Fiscal Agent Agreement will be limited solely to amounts on deposit in the Administrative Expense Fund.

Amendment

Amendments Permitted. The Fiscal Agent Agreement and the rights and obligations of the 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 the Fiscal Agent Agreement. No such modification or amendment will (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the 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 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 the Fiscal Agent Agreement), or (iii) reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Fiscal Agent without its written consent.

The Fiscal Agent Agreement and the rights and obligations of the 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:

(A) to add to the covenants and agreements of the Agency in the Fiscal Agent Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power reserved in the Fiscal Agent Agreement to or conferred upon the Agency;

(B) to make modifications not adversely affecting any outstanding series of Bonds of the Agency in any material respect;

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

(D) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from gross federal income taxation of interest on the Bonds; and

(E) in connection with the issuance of Parity Bonds under the Fiscal Agent Agreement.

Effect of Supplemental Agreement. From and after the time any Supplemental Agreement becomes effective pursuant to the Fiscal Agent Agreement, the Fiscal Agent Agreement will be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under the Fiscal Agent Agreement of the Agency and all Owners

of Bonds Outstanding will thereafter be determined, exercised and enforced under the Fiscal Agent Agreement subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement will be deemed to be part of the terms and conditions of the Fiscal Agent Agreement for any and all purposes.

Discharge of the Bonds and the Fiscal Agent Agreement

The Agency has the option to pay and discharge the entire indebtedness on all or any portion of the Bonds Outstanding in any one or more of the following ways:

(A) by well and truly paying or causing to be paid the principal of, and interest and any premium on, such 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 Reserve Fund and the Bond Fund is fully sufficient to pay such Bonds Outstanding, including all principal, interest and redemption premiums; or

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

If the Agency will 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 will have been given as provided in the Fiscal Agent Agreement or provision satisfactory to the Fiscal Agent will have been made for the giving of such notice, then, at the election of the Agency, and notwithstanding that any Bonds will not have been surrendered for payment, the pledge of the Special Taxes and other funds provided for in the Fiscal Agent Agreement and all other obligations of the Agency under the Fiscal Agent Agreement with respect to such Bonds Outstanding will cease and terminate. Notice of such election will be filed with the Fiscal Agent. Notwithstanding the foregoing, the obligation of the Agency to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon, all amounts owing to the Fiscal Agent pursuant to the Fiscal Agent Agreement, and otherwise 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, will continue in any event.

Upon compliance by the 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 Fiscal Agent Agreement, will be paid over to the Agency and any Special Taxes thereafter received by the Agency will not be remitted to the Fiscal Agent but will be retained by the Agency to be used for any purpose permitted under the Act.

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APPENDIX B
RATE AND METHOD

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REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 6
(Mission Bay South Public Improvements)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel of Taxable Property in the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) (herein "CFD No. 6") shall be levied and collected according to the tax liability determined by the Administrator (or designee thereof) through the application of the procedures described below. All of the real property in CFD No. 6, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed into CFD No. 6 unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The capitalized terms hereinafter set forth have the following meanings when used in this Rate and Method of Apportionment:

"Acre or Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan or other parcel map recorded with the County Recorder. For an Airspace Parcel, Acreage means the portion of the Underlying Land Parcel that is assigned to the Airspace Parcel pursuant to procedures set forth in Section C below. If the Acreage of a particular Parcel is unclear after reference to available maps, the Administrator shall determine the appropriate Acreage for the Parcel.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 (commencing with Section 53311), Part 1, Division 2, of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees and expenses of its counsel) employed in connection with any Bonds; the expenses of the Administrator and the Agency in carrying out their duties under the Indennure, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its legal counsel, charges levied by the County or any division or office thereof in connection with the levy and collection of Special Taxes, audits, continuing disclosure or other

amounts needed to pay arbitrage rebate to the federal government with respect to bonds; costs associated with complying with continuing disclosure requirements; costs associated with responding to public inquiries regarding Special Tax levies and appeals; attorneys' fees and other costs associated with commencement or pursuit of foreclosure for delinquent Special Taxes; and all other costs and expenses of the Agency, the Administrator, the County and any fiscal agent, escrow agent or trustee in any way related to the administration of CFD No. 6.

"Administrator" means the Deputy Executive Director, Finance and Administration of the Agency or such other person or entity designated by the Executive Director of the Agency to administer the Special Tax according to this Rate and Method of Apportionment of Special Tax.

"Agency" means the Redevelopment Agency of the City and County of San Francisco.

"Airspace Parcel" means an Assessor's Parcel that shares common vertical space of an Underlying Land Parcel with other parcels that have been assigned separate Assessor's Parcel numbers.

"Assessor's Parcel" or "Parcel" means a lot, parcel or Airspace Parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating Parcels by Assessor's Parcel number.

"Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by the Agency for CFD No. 6 under the Act.

"City" means the City and County of San Francisco.

"Commission" means the Commission of the Agency, being the legislative body of CFD No. 6.

"County" means the City and County of San Francisco.

"Developed Property" means, in any Fiscal Year, all Taxable Property for which a building permit for new construction (excluding renovations to buildings that were built prior to the date of adoption of the Resolution of Formation) was issued prior to July 1 of that Fiscal Year or in prior Fiscal Years, excluding any Parcel of Taxable Property for which a building permit was issued prior to formation of CFD No. 6 but only until such time as a building permit is issued for any such Parcel following the formation of CFD No. 6.

"Equivalent Dwelling Unit Factor" or "EDU" means the numerical factor assigned to each For-Sale Residential Unit category in Table 2 of Section C.2 below for purposes of apportioning the Maximum Special Tax.

"Exempt Land" means any real property within the boundaries of CFD No. 6 (i) owned by a governmental agency as of the date of adoption of the Resolution of Formation (but not after the date, if any, such land is conveyed to a nongovernmental entity), (ii) from and after the

date conveyed to a governmental agency under the terms of the Mission Bay South Owner Participation Agreement as in effect on the date the Resolution of Formation was adopted by the Commission, (iii) from and after the date conveyed to a governmental agency under the terms of the Land Transfer Agreements as in effect on the date the Resolution of Formation was adopted by the Commission, (iv) which is Agency Affordable Housing Parcels (as defined in the Mission Bay South Owner Participation Agreement as in effect on the date the Resolution of Formation was adopted by the Commission) from and after the date conveyed to the Agency or a Qualified Housing Developer (as defined in the Mission Bay South Owner Participation Agreement as in effect on the date the Resolution of Formation was adopted by the Commission), (v) which is a VARA Corridor, (vi) which makes up the strip of land under Interstate 280 that: (1) is owned by Catellus Development Corporation, (2) has a separate Assessor's Parcel number assigned to it, and (3) on the date the Resolution of Formation was adopted, was part of Assessor's Parcel number 8709-01 or 8723-01, or (vii) which is the subject of a public trust or other permanent easement to a public agency making impractical its use for other than the purposes set forth in the easement. Any land described in clauses (ii), (iii), (iv), or (vii) which is or becomes Exempt Land shall thereafter always remain Exempt Land. The Administrator shall determine the extent to which any real property in CFD No. 6 is Exempt Land.

"Exempt Parking Parcel" means an Assessor's Parcel: (1) that is an Airspace Parcel in a building, (2) that has been assigned its own Assessor's Parcel number and will receive its own tax bill, (3) on which the primary use is parking, and (4) because of other land uses within the structure of which the Exempt Parking Parcel is a part, does not meet the definition of Stand-Alone Parking.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"For-Sale Residential Category" means any of the individual land use categories for For-Sale Residential Units identified in Table 2 of Section C.2 below.

"For-Sale Residential Property" means, in any Fiscal Year, all Assessor's Parcels of Developed Property for which a building permit has been issued for construction of For-Sale Residential Units. For-Sale Residential Property shall also include Assessor's Parcels that were Rental Residential Property before the Rental Residential Units on the Parcel were converted to For-Sale Residential Units.

"For-Sale Residential Units" means dwelling units which are not located on Exempt Land and which are intended at the time of issuance of a certificate of occupancy to be offered for sale for individual unit ownership, as determined by the Administrator. Residential units that are initially Rental Residential Units and subsequently converted and offered for sale for individual unit ownership shall, upon completion of such conversion, be categorized as For-Sale Residential Units.

"Hotel Property" means, in any Fiscal Year, all Assessor's Parcels of Developed Property for which a building permit has been issued for a non-residential structure that constitutes a place of lodging providing sleeping accommodations and related facilities for travelers.

"Indenture" means the indenture, fiscal agent agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing same.

"Infrastructure" means the public improvements authorized to be financed by CFD No. 6 in accordance with the terms of the Resolution of Formation.

"Initial Stand-Alone Retail Property" means the lesser of (i) the first 90,000 Square Feet of Stand-Alone Retail Property (as defined below) in CFD No. 6 or (ii) the first 1.0 Acre of Stand-Alone Retail Acreage (as defined below) in CFD No. 6 for which construction building permits have been issued. In determining which retail uses first became Stand-Alone Retail Property, the Administrator shall refer to the date on which building permits were issued and categorize Parcels as Initial Stand-Alone Retail Property on a first-in-time basis.

"Land Transfer Agreements" means the Amended and Restated City Land Transfer Agreement, the Amended and Restated Port Land Transfer Agreement and the Amended and Restated Agreement Concerning the Public Trust, all as described in the Mission Bay South Owner Participation Agreement.

"Land Use Class" means any of the seven classes listed in Table 1 below, specifically: Hotel Property, Initial Stand-Alone Retail Property, Office Property, Other Property, Rental Residential Property, Stand-Alone Parking Property, and Stand-Alone Retail Property.

"Maximum Special Tax" means, with respect to any Parcel, the maximum Special Tax, determined in accordance with Section C, that can be levied in any Fiscal Year on such Parcel.

"Mission Bay South Owner Participation Agreement" means the agreement by that name, dated as of November 16, 1998, between the Agency and Catellus Development Corporation, as may be amended from time to time.

"Net Available Increment" means, as to each Fiscal Year, amounts the Agency has determined to contribute to CFD No. 6 in such Fiscal Year pursuant to the Mission Bay South Owner Participation Agreement.

"Office Property" means, in any Fiscal Year, all Assessor's Parcels of Developed Property which have been zoned for Mission Bay commercial/industrial uses and for which a building permit has been issued for construction of a building or buildings that will be used for non-residential land uses including, but not limited to, office, biotech, research and development, or retail uses that are not Stand-Alone Retail Property.

"Other Property" means, in any Fiscal Year, all Assessor's Parcels of Developed Property for which a building permit has been issued for any use which is not For-Sale Residential Property, Rental Residential Property, Hotel Property, Office Property, Stand-Alone Parking Property or Stand-Alone Retail Property.

"Rental Residential Units" means dwelling units which are not located on Exempt Land and are not For-Sale Residential Units.

"Rental Residential Property" means, in any Fiscal Year, all Assessor's Parcels of Developed Property for which a building permit has been issued for construction of Rental Residential Units.

"Resolution of Formation" means the Resolution of Formation of Community Facilities District No. 6, as adopted by the Commission.

"Special Tax" means the special tax to be levied pursuant to the Act in each Fiscal Year on Taxable Property within CFD No. 6.

"Special Tax Requirement" means the amount necessary in any Fiscal Year, as determined by the Administrator, (i) to pay principal and interest on Bonds due in the calendar year which begins in such Fiscal Year, (ii) to create or replenish reserve funds for Bonds, (iii) to cure any delinquencies in the payment of Special Taxes which have occurred or (based on delinquency rates in prior years) may be expected to occur in the Fiscal Year in which the Special Tax will be collected, (iv) to pay Administrative Expenses, (v) to pay construction and/or acquisition costs and expenses of Infrastructure the Agency expects to fund from Special Tax proceeds in such Fiscal Year, (vi) to pay costs associated with the release of funds from an escrow account, if any, (vii) to pay for a letter of credit, bond insurance or any other type of credit enhancement for Bonds, and (viii) to pay arbitrage or other rebate payments. The Special Tax Requirement may be reduced in any Fiscal Year, as determined by the Administrator, by taking into account money available from one or more of the following sources: (i) interest earnings on or surplus balances in the CFD No. 6 funds and accounts that are available to be applied in such Fiscal Year to the payment of Bond debt service under the provisions of the Indenture pursuant to which Bonds were issued, (ii) amounts in any capitalized interest account established when Bonds were issued and reasonably expected to be available in such Fiscal Year to pay debt service on Bonds, (iii) Net Available Increment, and (iv) any other funds available to apply against the Special Tax Requirement as determined by the Administrator.

"Square Foot", "Square Footage" or "Square Feet" means the square footage reflected on the original construction building permit issued for construction of a residential or non-residential building and any Square Footage subsequently added to a residential or non-residential building after issuance of a building permit for expansion or renovation of such building.

"Stand-Alone Parking Acreage" means the portion of an Underlying Land Parcel that is assigned to Stand-Alone Parking. If the Stand-Alone Parking is physically located on its own Assessor's Parcel (i.e., a Parcel not shared by any other land use), the Stand-Alone Parking Acreage shall be the Acreage of the Assessor's Parcel. If the Stand-Alone Parking shares an Underlying Land

Parcel with other land uses that have been assigned separate Assessor's Parcel numbers, the corresponding Stand-Alone Parking Acreage shall be determined by (1) dividing the Square Footage of the Stand-Alone Parking by the total Square Footage of all structures built or anticipated to be built on the Underlying Land Parcel (not including Square Footage built on Exempt Parking Parcels), and (2) multiplying the quotient by the total Acreage of the Underlying Land Parcel on which the building sits.

"Stand-Alone Parking" means a structure that meets all of the following criteria: (1) the primary use (i.e., the majority of Square Footage) of the structure is parking, (2) the structure has been assigned its own Assessor's Parcel number and will receive its own tax bill, and (3) the structure does not include Square Footage that is designated for residential, hotel or office uses other than office areas used for parking operations.

"Stand-Alone Retail Acreage" means the portion of an Underlying Land Parcel that is assigned to Stand-Alone Retail Property. If the Stand-Alone Retail Property is physically located on its own Assessor's Parcel (i.e., a Parcel not shared by any other land use), the Stand-Alone Retail Acreage shall be the Acreage of the Assessor's Parcel. If the Stand-Alone Retail Property is in a building or shares an Underlying Land Parcel with other land uses that have been assigned separate Assessor's Parcel numbers, the corresponding Stand-Alone Retail Acreage shall be determined by (1) dividing the Square Footage of the Stand-Alone Retail Property by the total Square Footage of all structures built or anticipated to be built on the Underlying Land Parcel (not including Square Footage built on Exempt Parking Parcels), and (2) multiplying the quotient by the total Acreage of the Underlying Land Parcel on which the building(s) sits.

"Stand-Alone Retail Property" means a building, or a portion of a building, which (i) has been constructed to be leased to tenants who will offer goods, services, food or beverages for sale to the general public or on a wholesale basis directly from the leased premises, and (ii) has been assigned a separate Assessor's Parcel number and, therefore, will receive a separate property tax bill from other Parcels in the CFD.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 6 which are not: (1) Exempt Land, (2) Exempt Parking Parcels, or (3) exempt from the Special Tax pursuant to law.

"Underlying Land Parcel" means an area of land that had been or would be a single Assessor's Parcel except for the assignment of separate Assessor's Parcel numbers to individual condominiums or other Airspace Parcels located on the Underlying Land Parcel.

"Undeveloped Property" means Parcels of Taxable Property in CFD No. 6 not classified as Developed Property.

"VARA Corridor" means a privately-owned corridor running through the South of Channel area that is designated as an easement for public utilities, pedestrian and vehicular circulation, and views. Property will only be designated as a VARA Corridor and, therefore, categorized as

Exempt Land if it is reflected on an Assessor's Parcel Map as a piece of property separate from a Parcel of Taxable Property.

B. ASSIGNMENT TO LAND USE CLASSES

On or about July 1 of each Fiscal Year, the Administrator shall determine which Parcels in CFD No. 6 are Taxable Property and shall classify all Taxable Property as either Developed Property or Undeveloped Property. Taxable Property shall be subject to Special Taxes for the Fiscal Year which commences on such July 1, in accordance with the rate and method of apportionment described in Sections C and D below. For purposes of determining the applicable Special Tax pursuant to Section C, each Parcel of Developed Property shall be assigned by the Administrator to one of the Land Use Classes designated in Table 1 (regardless of how many different land uses occur on the Parcel) and, in the case of For-Sale Residential Property, to one of the For-Sale Residential Categories shown in Table 2. Determinations needed as to Square Footage or the number of For-Sale Residential Units shall be made by the Administrator by referencing the building permit, approved Major Phase documentation as defined in the Mission Bay South Owner Participation Agreement, site plan, or other development plan deemed relevant by the Administrator. Determination of the appropriate Land Use Class shall be at the sole discretion of the Administrator subject to the definitions set forth in this RMA.

C. MAXIMUM SPECIAL TAX

1. *Maximum Special Tax, Developed Property Other Than For-Sale Residential Property*

The following Maximum Special Tax rates for Developed Property shall apply to all Parcels of Taxable Property within CFD No. 6, other than For-Sale Residential Property, in each Fiscal Year in which a Special Tax is collected. The actual amount of Special Tax to be levied in any Fiscal Year on any Parcel of Developed Property shall be determined in accordance with Section D below.

TABLE I
MAXIMUM SPECIAL TAX FOR DEVELOPED PROPERTY
(Fiscal Year 2000-01) *

<i>Land Use Class</i>	<i>Description</i>	<i>Maximum Special Tax *</i>
1	Rental Residential Property	\$114,000 per Acre
2	Hotel Property	\$114,000 per Acre
3	Initial Stand-Alone Retail Property	\$0.50 per Square Foot
4	Office Property	\$114,000 per Acre
5	Other Property	\$114,000 per Acre
6	Stand-Alone Parking	\$114,000 per Acre
7	Stand-Alone Retail Property	\$114,000 per Acre

** On each July 1, commencing July 1, 2001, Maximum Special Taxes for the Fiscal Year commencing such July 1 shall be increased by two percent (2%) of the Maximum Special Taxes in effect in the previous Fiscal Year.*

In some instances an Assessor's Parcel of Developed Property may contain multiple land uses. The following procedures shall be applied to determine the Maximum Special Tax for Parcels with multiple Land Use Classes:

1.a. Parcels of Stand-Alone Retail Property

If a construction building permit is issued for any building within CFD No. 6 and all or a portion of the Square Footage of the building is specifically designated for retail uses at the time the building permit is issued, the Administrator must determine whether the retail uses are Stand-Alone Retail Property. If it is determined that the retail uses do not meet the definition of Stand-Alone Retail Property, the Acreage or portion of Acreage of the Underlying Assessor's Parcel that is assigned to the building shall be used to determine the Maximum Special Tax for the building.

If the retail uses on the Parcel meet the definition of Stand-Alone Retail Property, the Administrator then must determine whether any of the identified Stand-Alone Retail Property (the "Subject Parcel") can be further classified as Initial Stand-Alone Retail Property. The test for identifying Initial Stand-Alone Retail Property and applying a Maximum Special Tax thereto is specified below in Steps 1 through 6. If building permits are issued at the same time for multiple Parcels of Stand-Alone Retail Property that are

owned by different owners, the remaining Square Footage and Acreage that can be allocated as Initial Stand-Alone Retail Property shall be divided up equally between the Parcels. For example, if there is Square Footage on two Parcels that qualifies as Initial Stand-Alone Retail Property, the remaining allocation will be divided in half and each Parcel shall get the benefit of one-half of the remaining Square Footage to be allocated as Initial Stand-Alone Retail Property. If building permits are issued at the same time for multiple Parcels of Stand-Alone Retail Property that are owned by the same owner, the owner can determine how the remaining Initial Stand-Alone Property allocation will be split among his/her Parcels.

If Stand-Alone Retail Property is identified on the Parcel, the following steps shall be applied to determine the Maximum Special Tax for the Subject Parcel:

- Step 1. Identify the total Square Footage of Stand-Alone Retail Property and the amount of Stand-Alone Retail Acreage that was included in building permits issued within the CFD prior to the date the building permit was issued for the Subject Parcel.
- Step 2. Subtract the Square Footage determined in Step 1 from 90,000 and subtract the Stand-Alone Retail Acreage determined in Step 1 from 1.0. If either of the differences is equal to or less than zero, none of the Square Footage on the Subject Parcel can be categorized as Initial Stand-Alone Retail Property. If the differences are greater than zero, the Administrator shall determine the amount of Square Footage that can qualify as Initial Stand-Alone Retail Property without exceeding a total of either 90,000 Stand-Alone Retail Square Feet or 1.0 Stand-Alone Retail Acre in the CFD as a whole. This amount of Square Footage shall be the Initial Stand-Alone Retail Property on the Parcel.
- Step 3. Multiply the Initial Stand-Alone Retail Square Footage determined in Step 2 by the Maximum Special Tax for Initial Stand-Alone Retail Property for the then current Fiscal Year to determine the portion of the Maximum Special Tax for the Subject Parcel that will be generated from Initial Stand-Alone Retail Property on the Subject Parcel.
- Step 4. Subtract the Stand-Alone Retail Acreage that corresponds to the Square Footage of Initial Stand-Alone Retail Property determined in Step 2 from the total Stand-Alone Retail Acreage on the Subject Parcel to determine the Acreage on the Subject Parcel that is associated with Stand-Alone Retail Property that did not qualify as Initial Stand-Alone Retail Property.

Step 5. Multiply the Acreage from Step 4 by the then current Maximum Special Tax for Stand-Alone Retail Property to determine the portion of the Maximum Special Tax for the Subject Parcel that will be generated from Stand-Alone Retail Property that did not qualify as Initial Stand-Alone Retail Property.

Step 6. Add together the Maximum Special Taxes determined in Steps 3 and 5 to determine the total Maximum Special Tax for the Subject Parcel in the current Fiscal Year.

If multiple land uses occur in the same building and/or on the same Underlying Land Parcel on which the Stand-Alone Retail Property is located and a separate Assessor's Parcel number has been assigned to one or more of such land uses, the Administrator shall follow the procedures set forth in Section C.1.c. below to delineate the Acreage of the Underlying Land Parcel. The identified Acreage shall then be used to separately calculate the Maximum Special Tax for the individual Assessor's Parcels on which each other land use is located.

1.b. Parcels of Stand-Alone Parking

If a construction building permit is issued for any building within CFD No. 6 and all or a portion of the Square Footage of the building is specifically designated for parking at the time the building permit is issued, the Administrator must determine whether the parking will be Stand-Alone Parking. If it is determined that the parking areas do not meet the definition of Stand-Alone Parking, the Maximum Special Tax shall be determined based on the Acreage or portion of Acreage of the Underlying Land Parcel that is assigned to the building, without a separate allocation to the area designated for parking. If the parking is Stand-Alone Parking, the Administrator shall apply the following steps to determine the Maximum Special Tax for the Parcel of Stand Alone Parking (the "Subject Parcel"):

Step 1. Determine the Stand-Alone Parking Acreage on the Subject Parcel.

Step 2. Multiply the Maximum Special Tax for Stand-Alone Parking for the then current Fiscal Year by the Stand-Alone Parking Acreage determined in Step 1 to calculate the Maximum Special Tax for the Subject Parcel.

If multiple land uses occur on the same Underlying Land Parcel on which Stand-Alone Parking is located, the Administrator shall delineate the Stand-Alone Parking Acreage on the Underlying Land Parcel as set forth in Step 1 above. The remaining Acreage on the Underlying Land Parcel shall be taxed, depending on the land use, pursuant to other applicable sections of this Rate and Method of Apportionment of Special Tax.

1.c. Underlying Land Parcels with Multiple Land Uses

If multiple land uses that have been assigned separate Assessor's Parcel numbers occur in the same building and/or on the same Underlying Land Parcel anywhere within CFD No. 6, the Administrator shall delineate the Acreage of the Underlying Land Parcel that is associated with each type of land use as follows: (1) divide the Square Footage associated with each land use (other than Square Footage on Exempt Parking Parcels) by the total Square Footage of all structures built or anticipated to be built (based on building permits that have been issued) on the Underlying Land Parcel (not including Square Footage built on Exempt Parking Parcels), and (2) multiply the quotient by the total Acreage of the Underlying Land Parcel on which the building(s) sits. The identified Acreage shall then be used to separately calculate the Maximum Special Tax for the individual Assessor's Parcels on which each land use is located.

If a building permit has been issued for development of a structure on an Underlying Land Parcel in the CFD which is anticipated to have additional structures built on it that will not be Exempt Parking Parcels, a portion of the Acreage of the Underlying Land Parcel shall be taxed as Undeveloped Property if building permits for all of the structures in the approved Major Phase documentation as defined in the Mission Bay South Owner Participation Agreement for the Underlying Land Parcel were not issued as of July 1 of the Fiscal Year in which the Special Taxes are being levied. If the Acreage assigned to each building anticipated on the Underlying Land Parcel is not clearly delineated on a subdivision map, the Acreage of the portion of the Underlying Land Parcel to be taxed as Developed Property shall be equal to the structure's pro rata share of the total residential units or Square Footage anticipated to be constructed on the Underlying Land Parcel (not counting Square Footage on an Exempt Parking Parcel), as determined by reference to the Major Phase documentation, multiplied by the total Acreage of the Underlying Land Parcel.

Notwithstanding the above, if one or more of the additional structures to be built on the Underlying Land Parcel is expected to be a parking structure that will not be Stand-Alone Parking or if it is uncertain whether the structure will be Stand-Alone Parking, the Acreage associated with the Exempt Parking Parcel shall be assigned to the building for which a building permit has been issued and shall factor into the Maximum Special Tax calculation for that building. If the Exempt Parking Parcel ultimately becomes Stand-Alone Parking, a separate Maximum Special Tax shall be assigned to the parking structure based on the Acreage determined to be Stand-Alone Parking Acreage, and the Maximum Special Tax that had originally been assigned to the building that was first built on the Underlying Land Parcel shall be reduced by the amount of the Maximum Special Tax allocated to the Parcel of Stand-Alone Parking.

Once a Maximum Special Tax has been assigned to a Parcel of Developed Property, the Maximum Special Tax shall not be reduced in future Fiscal Years regardless of changes in land use, Square Footage, or Acreage, unless (1) a reduction in the Maximum Special Tax is

approved by the Commission for the entire CFD, or (2) Stand-Alone Parking is added to an Underlying Land Parcel as set forth in the paragraph above.

2. Maximum Special Tax, For-Sale Residential Property

2.a. Underlying Land Parcels with No Stand-Alone Parking or Stand-Alone Retail

The Maximum Special Tax for a building of For-Sale Residential Property shall be the amount determined by multiplying the Acreage or portion of Acreage of the Parcel that is assigned to the building pursuant to Section C.2.d below by \$114,000. Once the Maximum Special Tax has been calculated for the building, a separate Maximum Special Tax shall be determined for each For-Sale Residential Unit in the building through application of the following steps:

- Step 1. For each building with For-Sale Residential Units, determine the Acreage associated with the building. If additional buildings will be constructed on the Underlying Land Parcel on which the building is located, use the procedures set forth in Section C.2.d below to determine the Acreage. If no additional buildings are expected on the Underlying Land Parcel, use the entire Acreage of the Parcel.
- Step 2. Using the Acreage from Step 1, determine the Maximum Special Tax for the building.
- Step 3. Identify the square footage of each For-Sale Residential Unit to be constructed within the building.
- Step 4. Using the square footage information from Step 3, multiply the number of For-Sale Residential Units expected within each For-Sale Residential Category by the appropriate Equivalent Dwelling Unit factor from Table 2 below and sum the EDUs for all For-Sale Residential Categories represented within the building for which Special Taxes are being calculated.

TABLE 2
FOR-SALE RESIDENTIAL CATEGORIES AND EQUIVALENT DWELLING UNIT FACTORS

<i>For-Sale Residential Category</i>	<i>EDU Factor</i>
For-Sale Residential Units, less than 550 square feet	0.55
For-Sale Residential Units, 551 to 800 square feet	0.70
For-Sale Residential Units, 801 to 1,175 square feet	0.85
For-Sale Residential Units, greater than 1,175 square feet	1.00

For example, assume 200 For-Sale Residential Units that are 1,300 square feet and 300 For-Sale Residential Units that are 900 square feet will be constructed in a building. The total EDUs for the building would be calculated as follows:

200 Units * EDU Factor of 1.00 =	200 EDUs
300 Units * EDU Factor of 0.85 =	<u>255 EDUs</u>
Total EDUs in Building =	455 EDUs

- Step 5: Divide the Maximum Special Tax determined in Step 2 by the number of EDUs calculated in Step 4 to determine the *"Special Tax per EDU"*.
- Step 6: If each For-Sale Residential Unit has been assigned an individual Assessor's Parcel number, multiply the Special Tax per EDU determined in Step 5 by the number of EDUs on each individual Parcel to determine the Maximum Special Tax for each Parcel. If separate Assessor's Parcels are not created for each For-Sale Residential Unit or if separate Assessor's Parcel numbers have not yet been assigned to each individual Assessor's Parcel, multiply the number of EDUs in the building (as determined in Step 4) by the Special Tax per EDU from Step 5 to determine the Maximum Special Tax for the building. If additional buildings will be constructed on the Parcel on which the building is located and such buildings are not expected to be Exempt Parking Parcels, the Special Tax levied on the Parcel shall be a combination of the Special Tax calculated pursuant to this Step 6 and the Special Tax to be levied on the remaining Undeveloped Property within the Parcel.

2.b. Underlying Land Parcels with For-Sale Residential Property and Other Land Uses

If other land uses that have been assigned separate Assessor's Parcel numbers (other than Exempt Parking Parcels) share an Underlying Land Parcel on which For-Sale Residential Property is located, the Administrator shall follow the direction set forth in Section C.1.c above to delineate the Acreage on the Underlying Land Parcel among the land uses. The Maximum Special Tax assigned to the portion of the Underlying Land Parcel which is determined to be For-Sale Residential Property shall be allocated among the For-Sale Residential Units pursuant to the procedure set forth in Section C.2.a above.

2.c. Conversions from Rental Residential Property to For-Sale Residential Property

If Rental Residential Units on an Assessor's Parcel are converted to For-Sale Residential Units, the Maximum Special Tax that had been assigned to the Parcel when it was Rental Residential Property shall remain effective in future Fiscal Years regardless of the conversion. The Maximum Special Tax assigned to the Parcel shall be allocated among the For-Sale Residential Units pursuant to the procedures set forth in Section C.2.a above.

2.d. Underlying Land Parcels with Remaining Undeveloped Property

If a building permit has been issued for development of For-Sale Residential Units on an Underlying Land Parcel in the CFD which is anticipated to have additional structures built on it and such structures are not expected to qualify as Exempt Parking Parcels, a portion of the Acreage of the Underlying Land Parcel shall be taxed as Undeveloped Property if building permits for all of the structures in the approved Major Phase documentation as defined in the Mission Bay South Owner Participation Agreement for the Underlying Land Parcel were not issued as of July 1 of the Fiscal Year in which the Special Taxes are being levied. If the Acreage assigned to each building anticipated on the Underlying Land Parcel is not clearly delineated on a subdivision map, the Acreage of the portion of the Underlying Land Parcel to be taxed as For-Sale Residential Property shall be equal to the structure's pro rata share of the total For-Sale Residential Units (if all of the remaining structures are expected to be For-Sale Residential Property) or Square Footage (if the remaining structures will include land uses other than For-Sale Residential Property and which shall not include Square Footage built on Exempt Parking Parcels) anticipated to be constructed on the Underlying Land Parcel, as determined by the Administrator by reference to the approved Major Phase documentation as defined in the Mission Bay South Owner Participation Agreement, multiplied by the total Acreage of the Underlying Land Parcel.

Once a Maximum Special Tax has been assigned to an Assessor's Parcel of For-Sale Residential Property, the Maximum Special Tax assigned to that Parcel shall never be reduced regardless of changes in land use on the Parcel in future years, unless a reduction in the Maximum Special Tax is approved by the Commission for the entire CFD.

3. *Maximum Special Tax, Undeveloped Property*

The Maximum Special Tax for Undeveloped Property is \$114,000 per Acre and shall apply to all Parcels or portions of Parcels of Taxable Property within CFD No. 6 that are Undeveloped Property in each Fiscal Year in which the Special Tax is collected. On each July 1, commencing July 1, 2001, the Maximum Special Tax for Undeveloped Property for the Fiscal Year commencing such July 1 shall be increased by two percent (2%) of the Maximum Special Tax for Undeveloped Property in effect in the previous Fiscal Year.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2000-01 and for each following Fiscal Year, the Administrator or designee shall determine the Special Tax Requirement to be collected from Taxable Property in CFD No. 6 in the applicable Fiscal Year. The Special Tax shall then be levied as follows:

First: The Special Tax shall be levied proportionately on each Assessor's Parcel of For-Sale Residential Property up to 100% of the Maximum Special Tax for each For-Sale Residential Unit, as determined by reference to Section C.2 above, subject in any event to the limitation in the second paragraph of Section E below as to the levy on any particular Parcel;

Second: If additional monies are needed to pay the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied proportionately on each Assessor's Parcel of Developed Property other than For-Sale Residential Property up to 100% of the applicable Maximum Special Tax for each such Parcel of Developed Property, as determined by reference to Section C.1 above;

Third: If additional monies are needed to pay the Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for Undeveloped Property, as determined by reference to Section C.3 above;

E. LIMITATIONS

No Special Taxes shall be levied in any Fiscal Year on any Parcel after such Parcel becomes Exempt Land, an Exempt Parking Parcel, or any Parcel for which the entire Special Tax has been prepaid pursuant to Section G below.

The Special Tax may be levied and collected until principal and interest on Bonds have been repaid and the Infrastructure has been completed and accepted by the applicable governmental agency and paid for with proceeds of Bonds, Special Taxes, Net Available Increment or bonds secured by Net Available Increment (as defined in the Mission Bay South Owner Participation Agreement), but in any event not later than the year 2050.

The Special Tax levied against a Parcel of For-Sale Residential Property or Rental Residential Property in a given Fiscal Year cannot be increased, as a consequence of delinquency or default by owners of other Parcels within CFD No. 6, by more than ten percent (10%) of the Special Tax levied on such Parcel in the prior Fiscal Year. An increase of ten percent (10%) or more shall be determined by comparison to what the levy of Special Tax would be for any Assessor's Parcel if there were no delinquencies or defaults on any other Assessor's Parcel in CFD No. 6.

F. MANNER OF COLLECTION

The Special Taxes will be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that prepayments are permitted as set forth in Section G below and provided further that the Administrator may directly bill the Special Taxes and may collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of CFD No. 6 or otherwise more convenient or efficient in the circumstances. Foreclosure of delinquent Special Taxes may be initiated and pursued in the manner permitted in the Act.

G. PREPAYMENT OF SPECIAL TAX

The Special Tax obligation applicable to each Assessor's Parcel in CFD No. 6 may be prepaid and the obligation of the Assessor's Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the Administrator with (i) written notice of intent to prepay, and (ii) payment of fees to cover the cost of calculating and administering the prepayment as established by the Agency. Within 30 days of receipt of such written notice, the Administrator shall notify such owner of the prepayment amount for the Assessor's Parcel. A prepayment must be made to the Agency at least 45 days prior to the next occurring date that notice of redemption of Bonds from proceeds of such prepayment may be given to the trustee pursuant to the Indenture.

Revenues from prepayment of Special Taxes may be used by CFD No. 6 for any purpose allowed under the Act, including but not limited to the following: (i) to redeem Bonds; (ii) to pay for Infrastructure; and (iii) to escrow and be used to defease Bonds. The prepayment calculation shall be performed by the Administrator or an independent financial consultant selected by the Administrator and retained by the Agency in its sole discretion. No prepayment shall be allowed unless the amount of Special Taxes that can be levied on Taxable Property in the CFD after the prepayment is at least one hundred and ten percent (110%) of the maximum annual debt service on outstanding Bonds.

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment. The Maximum Special Tax that can be levied

on a Parcel after a partial prepayment is made is equal to the Maximum Special Tax that could have been levied prior to the prepayment, reduced by the percentage of the full prepayment that the partial prepayment represents, all as determined by or at the direction of the Administrator.

The following definitions apply to this Section G:

"Construction Inflation Index" means the greater of (i) the percent change in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) zero percent.

"Future Infrastructure Costs" means the Infrastructure Costs (as defined below) minus any costs funded by Previously Issued Bonds (as defined below), or directly from Special Tax revenues, Net Available Increment, or bonds secured by Net Available Increment as defined in the Mission Bay South Owner Participation Agreement.

"Outstanding Bonds" means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of "Outstanding Bonds" for purposes of this prepayment formula.

"Previously Issued Bonds" means all Bonds that have been issued by CFD No. 6 prior to the date of prepayment.

"Infrastructure Costs" means \$175,772,000 in 1999 dollars, which shall increase by the Construction Inflation Index on July 1, 2000 and each July 1 thereafter, or such other number as (i) shall be determined by the Administrator as sufficient to pay for the Infrastructure, or (ii) shall be determined by the Commission concurrently with a covenant that it will not issue any more Bonds to be supported by Special Taxes levied pursuant to this Rate and Method of Apportionment of Special Tax.

The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

Bond Redemption Amount	
plus	Future Infrastructure Amount
plus	Redemption Premium
plus	Defeasance
plus	Administrative Fees and Expenses
less	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1. Determine the greater of (i) the total Maximum Special Tax that could be collected from the Assessor's Parcel prepaying the Special Tax based on the Parcel's development status in the Fiscal Year in which prepayment would be received by CFD No. 6, or (ii) the total Maximum Special Tax that could be collected from the Assessor's Parcel prepaying the Special Tax based on land uses expected on the Parcel when the entire Parcel becomes Developed Property, as determined by the Administrator.
- Step 2. Divide the Maximum Special Tax computed pursuant to Step 1 for such Assessor's Parcel by the lesser of (i) the Maximum Special Tax revenues that could be collected in that Fiscal Year from all Taxable Property in CFD No. 6, or (ii) the Maximum Special Tax revenues that could be generated at buildout of property in CFD No. 6 based on anticipated land uses at buildout of the CFD.
- Step 3. Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the *"Bond Redemption Amount"*).
- Step 4. Compute the current Future Infrastructure Costs.
- Step 5. Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Future Infrastructure Costs to be prepaid (the *"Future Infrastructure Amount"*).
- Step 6. Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the *"Redemption Premium"*).
- Step 7. Compute the amount needed to pay interest on the Bond Redemption Amount from the last interest payment date on the Outstanding Bonds until the earliest redemption date for the Outstanding Bonds.
- Step 8. Compute the minimum amount the Administrator reasonably expects to derive from the reinvestment of the Bond Redemption Amount plus the Redemption Premium until the redemption date for the Outstanding Bonds that the Administrator expects to be redeemed with the prepayment.
- Step 9. Take the amount computed pursuant to Step 7 and subtract the amount computed pursuant to Step 8 (the *"Defeasance"*).

- Step 10. The administrative fees and expenses of CFD No. 6 are as calculated by the Administrator and include the costs of computation of the prepayment, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the *"Administrative Fees and Expenses"*).
- Step 11. If and to the extent so provided in the Indenture pursuant to which the Outstanding Bonds to be redeemed were issued, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the *"Reserve Fund Credit"*).
- Step 12. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the *"Prepayment Amount"*).

H. APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct and requesting a refund may file a written notice of appeal with the Administrator not later than one calendar year after having paid the Special Tax that is disputed. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and decide the appeal. If the Administrator's decision requires the Special Tax to be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of the levy), but an adjustment shall be made to the next Special Tax levy. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any legal action by such owner.

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APPENDIX C
FORM OF BOND COUNSEL OPINION

February 1, 2013

Successor Agency to the
Redevelopment Agency of the
City and County of San Francisco
One South Van Ness Avenue, 5th Floor
San Francisco, California 94103

OPINION: \$81,775,000 Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Refunding Bonds, Series 2013A Parity-South, \$19,635,000 Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2013B Parity-South, and \$21,601,256 Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2013C Parity-South

Members of the Successor Agency Commission:

We have acted as bond counsel in connection with the issuance by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the "Successor Agency") of its Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Refunding Bonds, Series 2013A Parity-South (the "Series 2013A Bonds"), in the principal amount of \$81,775,000, its Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2013B Parity-South (the "Series 2013B Bonds"), in the principal amount of \$19,635,000, and its Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2013C Parity-South in the initial amount of \$21,601,256 (the "Series 2013C Bonds," and, together with the Series 2013A Bonds and the Series 2013B Bonds, the "Bonds").

The Bonds are being issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the California Government Code) (the "Act"), a Fiscal Agent Agreement, dated as of June 1, 2001 (the "Original Fiscal Agent Agreement"), by and between the Redevelopment Agency of the City and County of San Francisco (the "Agency"), for and on behalf of Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) (the "District"), and Wells Fargo Bank, National Association, as fiscal agent (the "Fiscal Agent"), as amended and supplemented by a Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of

October 1, 2002 (the "First Supplement"), between the Agency, for and on behalf of the District, and the Fiscal Agent, a Supplemental Agreement No. 2 to Fiscal Agent Agreement, dated as of July 1, 2005 (the "Second Supplement"), between the Agency, for and on behalf of the District, and the Fiscal Agent, and a Supplemental Agreement No. 3 to Fiscal Agent Agreement, dated as of January 1, 2013 (the "Third Supplement"), between the Successor Agency, for and on behalf of the District, and the Fiscal Agent (the Original Fiscal Agent Agreement, as amended and supplemented by the First Supplement, the Second Supplement and the Third Supplement is herein referred to below as the "Fiscal Agent Agreement"), and Resolution No. 4-2012 adopted by the Successor Agency Commission on December 18, 2012 (the "Resolution"). In addition, the Series 2013A Bonds are also authorized to be issued under the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and the Bonds are authorized to be issued pursuant to applicable subsections of Section 34177.5 of the California Health and Safety Code. On January 14, 2013, the Oversight Board for the Successor Agency adopted Resolution No. 2-2013 approving the issuance of the Bonds by the Successor Agency and related actions of the Successor Agency, and on January 29, 2013, the Department of Finance of the State of California, in a letter to the Successor Agency, approved the Oversight Board Resolution No. 2-2013.

In connection with this opinion, we have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the Successor Agency contained in the Resolution and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion as of the date hereof, under existing law, that:

1. The Successor Agency is a public body, corporate and politic, duly organized and existing under the laws of the State of California with the power to adopt the Resolution, enter into the Third Supplement and perform the agreements on its part contained therein and issue the Bonds.

2. The Successor Agency has duly assumed the rights and obligations of the Agency under the Fiscal Agent Agreement, and the Fiscal Agent Agreement constitutes a valid and binding obligation of the Successor Agency enforceable upon the Successor Agency.

3. Pursuant to the Act, the Fiscal Agent Agreement creates a valid lien on the funds pledged by the Fiscal Agent Agreement for the security of the Bonds, on a parity with the Series 2005 Parity-South Bonds and any additional Parity Bonds issued under, and as such terms are defined in, the Fiscal Agent Agreement.

4. The Bonds have been duly authorized, executed and delivered by the Successor Agency and are valid and binding limited obligations of the Successor Agency for the District, payable solely from the sources provided therefor in the Fiscal Agent Agreement.

5. Subject to the Successor Agency's compliance with certain covenants, interest on the Bonds (i) is excludable from gross income of the owners thereof for federal income tax purposes, and (ii) is not included as an item of tax preference in computing the alternative

minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure by the Successor Agency to comply with certain of such covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Ownership of the Bonds may result in other tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Resolution and the Fiscal Agent Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

In rendering this opinion, we have relied upon certifications of the Successor Agency and others with respect to certain material facts. Our opinion represents our legal judgment based upon such review of the law and facts that we deem relevant to render our opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATES

\$81,775,000
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 6
(MISSION BAY SOUTH PUBLIC IMPROVEMENTS)
SPECIAL TAX REFUNDING BONDS,
SERIES 2013A PARITY-SOUTH
(CURRENT INTEREST BONDS)

\$19,635,000
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 6
(MISSION BAY SOUTH PUBLIC IMPROVEMENTS)
SPECIAL TAX BONDS,
SERIES 2013B PARITY-SOUTH
(CURRENT INTEREST BONDS)

\$21,601,256
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 6
(MISSION BAY SOUTH PUBLIC IMPROVEMENTS)
SPECIAL TAX BONDS,
SERIES 2013C PARITY-SOUTH
(CAPITAL APPRECIATION BONDS)

This Continuing Disclosure Certificate (this “**Disclosure Certificate**”) is executed and delivered by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “**Successor Agency**”), with respect to the Redevelopment Agency of City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) (the “**District**”) in connection with the issuance of the bonds captioned above (the “**Bonds**”). The Bonds are being issued pursuant to a Fiscal Agent Agreement dated as of June 1, 2001, and supplements thereto (the “**Fiscal Agent Agreement**”), by and between the Successor Agency and Wells Fargo Bank, National Association, as fiscal agent (the “**Fiscal Agent**”). The Successor Agency hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Successor Agency for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the Successor Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Annual Report Date*” means the date that is nine months after the end of the Successor Agency's fiscal year (currently March 31 based on the Successor Agency's fiscal year end of June 30).

“*Dissemination Agent*” means Digital Assurance Certification, LLC, or any successor Dissemination Agent designated in writing by the Successor Agency and which has filed with the Successor Agency a written acceptance of such designation.

“Listed Events” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future. *“Official Statement”* means the final official statement executed by the Successor Agency in connection with the issuance of the Bonds.

“Participating Underwriter” means Stifel, Nicolaus & Company, Incorporated dba Stone & Youngberg a Division of Stifel Nicolaus, and Backstrom McCarley Berry & Co., LLC, the original Underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Successor Agency shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2013 with the report for the 2011-12 fiscal year (provided that the first Annual Report may consist of the Official Statement and the Successor Agency’s audited financial statements), provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the Successor Agency shall provide the Annual Report to the Dissemination Agent (if other than the Successor Agency). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the Successor Agency) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Successor Agency to determine if the Successor Agency is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Successor Agency may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the Successor Agency's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The Successor Agency shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the Successor Agency hereunder.

(b) If the Successor Agency does not provide, or cause the Dissemination Agent to provide, an Annual Report by the Annual Report Date, the Successor Agency shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached hereto as Exhibit A.

(c) With respect to the Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the Successor Agency, file a report with the Successor Agency certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided to the MSRB.

Section 4. Content of Annual Reports. The Successor Agency's Annual Report shall contain or incorporate by reference the following:

(a) The Successor Agency's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Successor Agency's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the Successor Agency for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement.

The financial statements required by this subsection (a) shall be accompanied by the following statement:

THE SUCCESSOR AGENCY'S ANNUAL FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15C2-12. NO FUNDS OR ASSETS OF THE SUCCESSOR AGENCY ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS, AND THE SUCCESSOR AGENCY IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE SUCCESSOR AGENCY IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.

- (b) Principal amount of 2013 Bonds outstanding.
- (c) Balance in the accounts within the Improvement Fund for the 2013 Bonds.
- (d) Balance in the Reserve Fund for the 2013 Bonds.
- (e) Total assessed value of all parcels subject to the Special Taxes and the current year's assessed value for the District.
- (f) Special Tax and property tax delinquency rate for parcels in the District.
- (g) Concerning delinquent parcels:
 - number of parcels delinquent in payment of Special Tax,
 - amount of total delinquency and as a percentage of total Special Tax levy, and
 - status of the District's actions on covenants to pursue foreclosure proceedings upon delinquent properties.

(h) Identity of any delinquent tax payer obligated for more than 10% of the annual Special Tax levy and:

- assessed value of applicable properties, and
- summary of results of foreclosure sales, if available.

(i) Significant amendments to land use entitlements for property in the District since the last Annual Report which are known to the Successor Agency's chief financial officer, including but not limited to any rezoning of the property or the adoption of any amendment or other change to the specific plan for the area that includes the District.

(j) Status of any significant legislative, administrative, and judicial challenges to the construction of the development in the District since the last Annual Report which are known to the Successor Agency's chief financial officer, without independent inquiry, but only for Annual Reports for years in which construction activity has occurred in the District; such as any lawsuit challenging the land use entitlements for the District, or any voter or legislative initiative to curtail or impede development in the District.

(k) For the Fiscal Year for which the Annual Report is being issued, but only until the date on which 80% or more of the Special Taxes in the District are levied on developed property, any building permit issued for the construction of a building on a parcel subject to the Special Taxes and any certificate of occupancy for any building on a parcel subject to the Special Taxes.

(l) To the extent not otherwise provided pursuant to the preceding items 1-10, annual information required to be filed with respect to the District since the last Annual Report with the California Debt and Investment Advisory Commission pursuant to Sections 50075.1, 50075.3, 53359.5(b), 53410(d) or 53411 of the California Government Code.

(m) In addition to any of the information expressly required to be provided under paragraphs (a) through (l) of this Section, the Successor Agency shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Successor Agency or related public entities, which have been filed with the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB. The Successor Agency shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The Successor Agency shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the Successor Agency or other obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving the Successor Agency or an obligated person, or the sale of all or substantially all of the assets of the Successor Agency or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the Successor Agency obtains knowledge of the occurrence of a Listed Event, the Successor Agency shall, or shall cause the Dissemination Agent (if not the Successor Agency) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event.

(c) Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Trust Agreement.

(d) The Successor Agency acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), and (a)(14) of this Section 5 contain the qualifier "if material," and subparagraph (a)(6) contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The Successor Agency shall cause a notice to be filed as set forth in paragraph

(b) above with respect to any such event only to the extent that the Successor Agency determines the event's occurrence is material for purposes of U.S. federal securities law.

(e) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Successor Agency in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Successor Agency, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Successor Agency.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Successor Agency's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Successor Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The Successor Agency may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Digital Assurance Certification, LLC. Any Dissemination Agent may resign by providing 30 days' written notice to the Successor Agency.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Successor Agency may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of holders, or (ii) does not, in the opinion of the Fiscal Agent or nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first Annual Report filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Successor Agency to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Successor Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Successor Agency chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Successor Agency shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the Successor Agency fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the Successor Agency to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Successor Agency agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the Successor Agency, any land owners in the District, the Fiscal Agent, the Bond owners or any other party. The obligations of the Successor Agency under this

Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the Successor Agency for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Notices. Any notice or communications to be among any of the parties to this Disclosure Certificate may be given as follows:

To the Issuer:	Successor Agency to the Redevelopment Agency of the City and County of San Francisco One South Van Ness Avenue, 5th Floor San Francisco, California 94103 Attention: Executive Director
To the Fiscal Agent:	Wells Fargo Bank, National Association MAC #A0119-181 333 Market Street, 18th Floor San Francisco, California 94105
To the Dissemination Agent:	Digital Assurance Certification, LLC 390 North Orange Avenue Orlando, Florida 32801-1674
To the Participating Underwriter:	Stifel, Nicolaus & Company, Incorporated dba Stone & Youngberg a Division of Stifel Nicolaus One Ferry Building San Francisco, California 94111 Attention: Municipal Research Department Backstrom McCarley Berry & Co., LLC 115 Sansome Street San Francisco, CA 94104

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Successor Agency, the Trustee, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 15. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: February 1, 2013

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

By: _____
Executive Director

AGREED AND ACCEPTED:
Digital Assurance Certification, LLC, as Dissemination Agent

By: _____

Name: _____

Title: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Successor Agency to the Redevelopment Agency of City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) (the "**Successor Agency**")

Name of Bond Issue: Successor Agency to the Redevelopment Agency of City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements), Special Tax Refunding Bonds, Series 2013A Parity-South (Current Interest Bonds)

Successor Agency to the Redevelopment Agency of City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements), Special Tax Bonds, Series 2013B Parity-South (Current Interest Bonds)

Successor Agency to the Redevelopment Agency of City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements), Special Tax Bonds, Series 2013C Parity-South (Capital Appreciation Bonds)

Date of Issuance: February 1, 2013

NOTICE IS HEREBY GIVEN that the Successor Agency has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate dated February 1, 2013, executed by the Successor Agency and countersigned by Digital Assurance Certification, LLC, as dissemination agent. The Successor Agency anticipates that the Annual Report will be filed by _____.

Dated: _____

DISSEMINATION AGENT:

By: _____

Its: _____

**CONTINUING DISCLOSURE CERTIFICATE
(FOCIL-MB, LLC)**

\$81,775,000
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 6
(MISSION BAY SOUTH PUBLIC IMPROVEMENTS)
SPECIAL TAX REFUNDING BONDS,
SERIES 2013A PARITY-SOUTH
(CURRENT INTEREST BONDS)

\$19,635,000
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 6
(MISSION BAY SOUTH PUBLIC IMPROVEMENTS)
SPECIAL TAX BONDS,
SERIES 2013B PARITY-SOUTH
(CURRENT INTEREST BONDS)

\$21,601,256
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 6
(MISSION BAY SOUTH PUBLIC IMPROVEMENTS)
SPECIAL TAX BONDS,
SERIES 2013C PARITY-SOUTH
(CAPITAL APPRECIATION BONDS)

This Continuing Disclosure Certificate (FOCIL-MB, LLC) (this “**Disclosure Certificate**”) is executed and delivered by the undersigned (“**FOCIL**”) in connection with the issuance by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “**Successor Agency**”) of the bonds captioned above (the “**Bonds**”) with respect to the Redevelopment Agency of City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) (the “**District**”). The Bonds are being issued pursuant to a Fiscal Agent Agreement dated as of June 1, 2001, and supplements thereto (the “**Fiscal Agent Agreement**”), by and between the Successor Agency and Wells Fargo Bank, National Association, as fiscal agent (the “**Fiscal Agent**”).

FOCIL covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by FOCIL for the benefit of the holders and beneficial owners of the Bonds.

Section 2. Definitions. In addition to the definitions set forth above and in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Affiliate*” of another Person means (a) a Person directly or indirectly owning, controlling, or holding with power to vote, 5% or more of the outstanding voting securities of such other Person, (b) any Person, 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by such other Person, and (c) any Person directly or indirectly controlling, controlled by, or under common control with, such other Person. For purposes hereof, control means the power to exercise a controlling influence over the management or policies of a Person, unless such power is solely the result of an official position with such Person.

“Assumption Agreement” means an undertaking of any entity, whereby such entity agrees to provide periodic reports and notices of significant events, setting forth the information described in sections 4 and 5 hereof, respectively.

“Dissemination Agent” means Goodwin Consulting Group, or any successor Dissemination Agent designated in writing by FOCIL, and which has filed with FOCIL, the Successor Agency and the Fiscal Agent a written acceptance of such designation, and which is experienced in providing dissemination agent services such as those required under this Disclosure Certificate.

“Listed Events” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Official Statement” means the final official statement executed by the Successor Agency in connection with the issuance of the Bonds.

“Participating Underwriter” means Stifel, Nicolaus & Company, Incorporated dba Stone & Youngberg a Division of Stifel Nicolaus, and Backstrom McCarley Berry & Co., LLC, the original Underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Periodic Report” means any Periodic Report provided by FOCIL pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Person” means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

“Property” means the property owned by FOCIL in the District.

“Report Date” means March 31 and September 30 of any fiscal year.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Special Taxes” means the special taxes of the District levied on taxable property within the District.

Section 3. Provision of Periodic Reports.

(a) FOCIL shall, or, upon written direction of FOCIL the Dissemination Agent shall, not later than the Report Date, commencing September 30, 2013, file with the MSRB a Periodic Report which is consistent with the requirements of Section 4 of this Disclosure Certificate, with a copy to the Fiscal Agent (if different from the Dissemination Agent), the Participating Underwriter and the Successor Agency. Not later than 15 calendar days prior to the Report

Date, FOCIL shall provide the Periodic Report to the Dissemination Agent (if different from FOCIL). FOCIL shall provide a written certification with (or included as a part of) each Periodic Report furnished to the Dissemination Agent (if different from FOCIL), the Fiscal Agent (if different from the Dissemination Agent), the Participating Underwriter and the Successor Agency to the effect that such Periodic Report constitutes the Periodic Report required to be furnished by it under this Disclosure Certificate. The Dissemination Agent, the Fiscal Agent, the Participating Underwriter and the Successor Agency may conclusively rely upon such certification of FOCIL and shall have no duty or obligation to review the Periodic Report. The Periodic Report may be submitted as a single document or as separate documents comprising a package, and may incorporate by reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the Dissemination Agent does not receive a Periodic Report by 15 calendar days prior to the Report Date, the Dissemination Agent shall send a reminder notice to FOCIL that the Periodic Report has not been provided as required under Section 3(a) above. The reminder notice shall instruct FOCIL to determine whether its obligations under this Disclosure Certificate have terminated (pursuant to Section 6 below) and, if so, to provide the Dissemination Agent with a notice of such termination in the same manner as for a Listed Event (pursuant to Section 5 below). If FOCIL does not provide, or cause the Dissemination Agent to provide, a Periodic Report to the MSRB by the Report Date as required in subsection (a) above, the Dissemination Agent shall send a notice to the MSRB in substantially the form attached hereto as Exhibit A, with a copy to the Fiscal Agent (if other than the Dissemination Agent), the Successor Agency and the Participating Underwriter.

(c) With respect to the Periodic Report, the Dissemination Agent shall, to the extent the Periodic Report has been furnished to it, file the Periodic Report with the MSRB and file a report with FOCIL (if the Dissemination Agent is other than FOCIL), the Successor Agency and the Participating Underwriter certifying that the Periodic Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to and filed with the MSRB.

Section 4. Content of Periodic Reports. FOCIL's Periodic Report shall contain or incorporate by reference the information set forth in Exhibit B, any or all of which may be included by specific reference to other documents, including official statements of debt issues of FOCIL or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. FOCIL shall clearly identify each such other document so included by reference.

In addition to any of the information expressly required to be provided in Exhibit B, FOCIL's Periodic Report shall include such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Significant Events.

(a) FOCIL shall give, or cause to be given, notice of the occurrence of any of the following Listed Events, if material:

(i) bankruptcy or insolvency proceedings commenced by or against FOCIL and, if known, any bankruptcy or insolvency proceedings commenced by or against any Affiliate of FOCIL that is reasonably likely to have a significant impact on FOCIL's ability

to pay Special Taxes on any Property or to complete the public infrastructure that FOCIL is required to construct within the District;

(ii) failure by FOCIL to pay any taxes, special taxes (including the Special Taxes) or assessments due with respect to any Property on or prior to the delinquency date;

(iii) filing of a lawsuit, of which FOCIL is aware, seeking damages against FOCIL or an Affiliate of FOCIL, which lawsuit, if determined adversely, is reasonably likely to have a significant impact on FOCIL's ability to pay Special Taxes or to complete the remaining public infrastructure that FOCIL is required to construct within the District;

(iv) material damage to or destruction of any of the public infrastructure in the District to the extent FOCIL concludes that the damage or destruction will delay scheduled private development in the District; and

(v) any payment default or other material default by FOCIL on any loan to FOCIL the proceeds of which have been used to finance construction of public infrastructure required to be constructed within the District by FOCIL.

(b) Whenever FOCIL obtains knowledge of the occurrence of a Listed Event, FOCIL shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If FOCIL determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, FOCIL shall, or shall cause the Dissemination Agent to, promptly file a notice of such occurrence with the MSRB, with a copy to the Fiscal Agent, the Successor Agency and the Participating Underwriter.

Section 6. Duration of Reporting Obligation.

(a) All of FOCIL's obligations hereunder shall commence on the date hereof and shall terminate (except as provided in Section 11) on the earliest to occur of the following:

(i) upon the legal defeasance, prior redemption or payment in full of all the Bonds, or

(ii) the date on which (A) FOCIL has completed construction of all public infrastructure required to be constructed by FOCIL within the District, (B) the Regents of the University of California has completed, and a certificate of occupancy (or an equivalent permit allowing final occupancy) has been issued for, the \$1.6 billion medical center project described in the Official Statement, (C) all of the property described in the Official Statement as owned by affiliates of Salesforce has been developed and certified for occupancy, and (D) a certificate of occupancy has been issued for the parcels that are owned by ARE-San Francisco No. 15, LLC and for which a certificate of occupancy had not been issued as of the date of issuance of the Bonds.

FOCIL shall give notice of the termination of its obligations under this Disclosure Certificate in the same manner as for a Listed Event under Section 5.

(b) If FOCIL transfers to another entity its obligation to construct the public infrastructure in the District, the obligations of FOCIL hereunder may be assumed by such entity, and FOCIL's obligations hereunder with respect to such property will be terminated. In order to effect such assumption, such entity shall enter into an Assumption Agreement in form and substance reasonably satisfactory to the Successor Agency and the Participating Underwriter.

Section 7. Dissemination Agent. FOCIL may, from time to time, appoint or engage a Dissemination Agent to assist FOCIL in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Goodwin Consulting Group. The Dissemination Agent may resign by providing thirty days' written notice to the Successor Agency, FOCIL and the Fiscal Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, FOCIL may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied (provided, however, that the Dissemination Agent shall not be obligated under any such amendment that modifies or increases its duties or obligations hereunder without its written consent thereto):

(a) if the amendment or waiver relates to the provisions of sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Fiscal Agent Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent FOCIL from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Periodic Report or notice of occurrence of a Listed Event, in addition to that required by this Disclosure Certificate. If FOCIL chooses to include any information in any Periodic Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, FOCIL shall have no obligation under this Disclosure Certificate to update such information or include it in any future Periodic Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of FOCIL to comply with any provision of this Disclosure Certificate, the Fiscal Agent shall (upon written direction and only to the extent indemnified to its satisfaction from any liability, cost or expense, including fees and expenses of its attorneys), and the Participating Underwriter and any holder or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause FOCIL to comply with its obligations under this

Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole and exclusive remedy under this Disclosure Certificate in the event of any failure of FOCIL to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and FOCIL agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents (each, an "Indemnified Party"), harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding loss, liabilities, costs and expenses due to an Indemnified Party's negligence or willful misconduct or failure to perform its duties hereunder. The Dissemination Agent shall be paid compensation for its services provided hereunder in accordance with its schedule of fees as amended from time to time, which schedule, as amended, shall be reasonably acceptable, and all reasonable expenses, reasonable legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the Successor Agency, FOCIL, the Fiscal Agent, the Bond owners, or any other party. The obligations of FOCIL under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Notices. Any notice or communications to be among any of the parties to this Disclosure Certificate may be given as follows:

To the Issuer:	Successor Agency to the Redevelopment Agency of the City and County of San Francisco One South Van Ness Avenue, 5th Floor San Francisco, California 94103 Attention: Deputy Executive Director, Finance and Administration
To the Fiscal Agent:	Wells Fargo Bank, National Association MAC #A0119-181 333 Market Street, 18th Floor San Francisco, California 94105
To the Participating Underwriter:	Stifel, Nicolaus & Company, Incorporated dba Stone & Youngberg a Division of Stifel Nicolaus One Ferry Building San Francisco, California 94111 Attention: Municipal Research Department
To FOCIL:	FOCIL-MB, LLC c/o Mission Bay Development Group 410 China Basin Street San Francisco, CA 94158

To the Dissemination Agent:

Goodwin Consulting Group
555 University Avenue, Suite 280
Sacramento, CA 95825

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Successor Agency, FOCIL (its successors and assigns), the Fiscal Agent, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. All obligations of FOCIL hereunder shall be assumed by any legal successor to the obligations of FOCIL as a result of a sale, merger, consolidation or other reorganization.

Date: February 1, 2013

FOCIL-MB, LLC, a Delaware limited liability company

By: Farallon Capital Management,
L.L.C., its Manager

By: _____

Its: _____

AGREED AND ACCEPTED:
Goodwin Consulting Group, as Dissemination Agent

By: _____

Name: _____

Title: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE PERIODIC REPORT

Name of Issuer: Successor Agency to the Redevelopment Agency of City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements)

Name of Bond Issue: Successor Agency to the Redevelopment Agency of City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements), Special Tax Refunding Bonds, Series 2013A Parity-South (Current Interest Bonds)

Successor Agency to the Redevelopment Agency of City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements), Special Tax Bonds, Series 2013B Parity-South (Current Interest Bonds)

Successor Agency to the Redevelopment Agency of City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements), Special Tax Bonds, Series 2013C Parity-South (Capital Appreciation Bonds)

Date of Issuance: February 1, 2013

NOTICE IS HEREBY GIVEN that FOCIL-MB, LLC ("FOCIL") has not provided a Periodic Report with respect to the above-named bonds as required by that certain Continuing Disclosure Certificate (FOCIL-MB, LLC), dated February 1, 2013. FOCIL anticipates that the Periodic Report will be filed by _____.

Dated: _____

_____, as Dissemination
Agent

By: _____
Its: _____

EXHIBIT B

PERIODIC REPORT

\$81,775,000
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 6
(MISSION BAY SOUTH PUBLIC IMPROVEMENTS)
SPECIAL TAX REFUNDING BONDS,
SERIES 2013A PARITY-SOUTH
(CURRENT INTEREST BONDS)

\$19,635,000
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 6
(MISSION BAY SOUTH PUBLIC IMPROVEMENTS)
SPECIAL TAX BONDS,
SERIES 2013B PARITY-SOUTH
(CURRENT INTEREST BONDS)

\$21,601,256
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 6
(MISSION BAY SOUTH PUBLIC IMPROVEMENTS)
SPECIAL TAX BONDS,
SERIES 2013C PARITY-SOUTH
(CAPITAL APPRECIATION BONDS)

This Periodic Report is hereby submitted under Section 4 of the Continuing Disclosure Certificate (the “**Disclosure Certificate**”) dated February 1, 2013 executed by the undersigned (“**FOCIL**”) in connection with the issuance of the above-captioned bonds by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco with respect to the Redevelopment Agency of City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) (the “**District**”).

Capitalized terms used in this Periodic Report but not otherwise defined have the meanings given to them in the Disclosure Certificate.

I. **Property Ownership and Development**

The information in this section is provided as of _____ (this date must be not more than 60 days before the date of this Periodic Report).

A. Property currently owned by FOCIL in the District (the “**Property**”). If none, this Section I does not need to be included in the Periodic Report.

Number of lots (acreage): _____

Proposed land use: _____

B. Status of land development or construction activities until completed:

C. Status of building permits and any significant amendments to land use or development entitlements:

D. Until completely sold to third parties, aggregate property sold, optioned or leased by FOCIL to end users or merchant builders:

Since the Date of Issuance of the Bonds		Since the Last Periodic Report	
Acres*	_____	Acres*	_____
Lots	_____	Lots	_____
Bldg. Sq. Ft.	_____	Bldg. Sq. Ft.	_____
* For bulk land sales only (excluding sales of finished lots or completed buildings).			

E. With respect to occupied buildings owned and leased by FOCIL (if any), (i) occupancy percentage and (ii) a rent roll consisting solely of (A) term of lease and (B) number of square feet subject to the lease.

II. Legal and Financial Status of FOCIL

Unless such information has previously been included or incorporated by reference in a Periodic Report, describe any change in the legal structure of FOCIL or the financial condition and financing plan of FOCIL that would materially and adversely interfere with its ability to complete its development plan described in the Official Statement.

III. Official Statement Updates

A. Unless such information has previously been included or incorporated by reference in a Periodic Report, describe any other significant changes in the information relating to FOCIL or the Property contained in the Official Statement under the heading "EXISTING AND PROPOSED DEVELOPMENT IN THE COMMUNITY FACILITIES DISTRICT" that would materially and adversely interfere with FOCIL's ability to develop and sell the Property as described in the Official Statement.

B. Describe any significant changes in the information relating to the property owned by any Affiliates of salesforce.com, inc. (collectively, “**Salesforce**”), contained in the Official Statement under the heading “EXISTING AND PROPOSED DEVELOPMENT IN THE COMMUNITY FACILITIES DISTRICT – Bay Jacaranda,” including any changes in entitlement, permitting and sales.

C. Describe any significant changes in the status of permitting and development through and including issuance of a certificate of occupancy (or an equivalent permit allowing final occupancy) of the \$1.6 billion medical center by the Regents of the University of California described in the Official Statement.

D. Describe any significant changes in the status of permitting and development through and including issuance of a certificate of occupancy of the property owned by Salesforce(as defined above) described in the Official Statement.

E. To the extent the information has changed, describe in the form of an updated table any changes in information summarized in Table 3 in the Official Statement, “Status of Development of Taxable Property.”

F. To the extent the information has changed, describe in the form of an updated table any changes in information summarized in the Table 14 in the Official Statement, “Current Entitlements and Construction Status in the Community Facilities District”.

G. To the extent the information has changed, describe in the form of an updated table any changes in information summarized in Table 15 in the Official Statement, “Estimated Sources and Uses of Funds for Infrastructure and Site Work.”

H. Describe any significant changes in the status of permitting and development through and including issuance of a certificate of occupancy of the parcels that are owned by ARE-San Francisco No. 15, LLC and for which a certificate of occupancy had not been issued as of the date of issuance of the Bonds.

V. Other Material Information

In addition to any of the information expressly required above, provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Certification

The undersigned FOCIL hereby certifies that this Periodic Report constitutes the Periodic Report required to be furnished by FOCIL under the Disclosure Certificate.

ANY STATEMENTS REGARDING THE MATTERS DESCRIBED ABOVE, OTHER THAN STATEMENTS MADE BY FOCIL IN AN OFFICIAL RELEASE, OR FILED WITH THE MUNICIPAL SECURITIES RULEMAKING BOARD, ARE NOT AUTHORIZED BY FOCIL. FOCIL IS NOT RESPONSIBLE FOR THE ACCURACY, COMPLETENESS OR FAIRNESS OF ANY SUCH UNAUTHORIZED STATEMENTS.

FOCIL HAS NO OBLIGATION TO UPDATE THIS PERIODIC REPORT OTHER THAN AS EXPRESSLY PROVIDED IN THE DISCLOSURE CERTIFICATE.

Dated: _____

FOCIL-MB, LLC, a Delaware limited liability company

By: Farallon Capital Management,
L.L.C., its Manager

By: _____

Its: _____

APPENDIX E

DTC AND THE BOOK-ENTRY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the 2013 Bonds, payment of principal, interest and other payments on the 2013 Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the 2013 Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the 2013 Bonds (the "Issuer") nor the trustee, fiscal agent or paying agent appointed with respect to the 2013 Bonds (the "Agent") take any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the 2013 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the 2013 Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the 2013 Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of

securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

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APPENDIX F

TABLE OF ACCRETED VALUES

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BOND ACCRETED VALUE TABLE

Successor Agency to the Redevelopment Agency of the City and County of San Francisco
New Money (CABs only)

Date	Capital Appreciation Bonds 08/01/2036 5.76%	Capital Appreciation Bonds 08/01/2037 5.82%	Capital Appreciation Bonds 08/01/2038 5.88%	2043 Term CABs 5.93%
02/01/2013	1,316.45	1,226.15	1,140.70	841.20
08/01/2013	1,354.35	1,261.80	1,174.25	866.10
02/01/2014	1,393.40	1,298.55	1,208.75	891.80
08/01/2014	1,433.50	1,336.35	1,244.30	918.25
02/01/2015	1,474.80	1,375.20	1,280.85	945.45
08/01/2015	1,517.25	1,415.25	1,318.55	973.50
02/01/2016	1,560.95	1,456.40	1,357.30	1,002.35
08/01/2016	1,605.90	1,498.80	1,397.20	1,032.10
02/01/2017	1,652.20	1,542.40	1,438.30	1,062.70
08/01/2017	1,699.75	1,587.30	1,480.55	1,094.20
02/01/2018	1,748.70	1,633.50	1,524.10	1,126.65
08/01/2018	1,799.10	1,681.05	1,568.90	1,160.05
02/01/2019	1,850.90	1,729.95	1,615.05	1,194.45
08/01/2019	1,904.20	1,780.30	1,662.50	1,229.85
02/01/2020	1,959.05	1,832.10	1,711.40	1,266.35
08/01/2020	2,015.45	1,885.40	1,761.70	1,303.90
02/01/2021	2,073.50	1,940.30	1,813.50	1,342.55
08/01/2021	2,133.20	1,996.75	1,866.80	1,382.35
02/01/2022	2,194.65	2,054.85	1,921.70	1,423.35
08/01/2022	2,257.85	2,114.65	1,978.20	1,465.55
02/01/2023	2,322.90	2,176.20	2,036.35	1,509.00
08/01/2023	2,389.80	2,239.50	2,096.25	1,553.75
02/01/2024	2,458.60	2,304.70	2,157.85	1,599.80
08/01/2024	2,529.45	2,371.75	2,221.30	1,647.25
02/01/2025	2,602.30	2,440.75	2,286.60	1,696.10
08/01/2025	2,677.25	2,511.80	2,353.85	1,746.35
02/01/2026	2,754.35	2,584.90	2,423.05	1,798.15
08/01/2026	2,833.65	2,660.10	2,494.30	1,851.45
02/01/2027	2,915.25	2,737.50	2,567.60	1,906.35
08/01/2027	2,999.25	2,817.20	2,643.10	1,962.90
02/01/2028	3,085.60	2,899.15	2,720.80	2,021.10
08/01/2028	3,174.45	2,983.55	2,800.80	2,081.00
02/01/2029	3,265.90	3,070.35	2,883.15	2,142.70
08/01/2029	3,359.95	3,159.70	2,967.90	2,206.25
02/01/2030	3,456.70	3,251.65	3,055.15	2,271.65
08/01/2030	3,556.30	3,346.25	3,145.00	2,339.05
02/01/2031	3,658.70	3,443.65	3,237.45	2,408.40
08/01/2031	3,764.05	3,543.85	3,332.65	2,479.80
02/01/2032	3,872.45	3,647.00	3,430.60	2,553.30
08/01/2032	3,984.00	3,753.10	3,531.50	2,629.00
02/01/2033	4,098.75	3,862.35	3,635.30	2,706.95

BOND ACCRETED VALUE TABLE

Successor Agency to the Redevelopment Agency of the City and County of San Francisco
New Money (CABs only)

	Capital Appreciation Bonds 08/01/2036 5.76%	Capital Appreciation Bonds 08/01/2037 5.82%	Capital Appreciation Bonds 08/01/2038 5.88%	2043 Term CABs 5.93%
Date				
08/01/2033	4,216.80	3,974.70	3,742.20	2,787.25
02/01/2034	4,338.25	4,090.40	3,852.20	2,869.90
08/01/2034	4,463.15	4,209.40	3,965.45	2,954.95
02/01/2035	4,591.70	4,331.90	4,082.05	3,042.60
08/01/2035	4,723.95	4,457.95	4,202.05	3,132.80
02/01/2036	4,860.00	4,587.70	4,325.60	3,225.70
08/01/2036	5,000.00	4,721.20	4,452.80	3,321.35
02/01/2037		4,858.60	4,583.70	3,419.80
08/01/2037		5,000.00	4,718.45	3,521.20
02/01/2038			4,857.15	3,625.60
08/01/2038			5,000.00	3,733.10
02/01/2039				3,843.80
08/01/2039				3,957.75
02/01/2040				4,075.10
08/01/2040				4,195.95
02/01/2041				4,320.35
08/01/2041				4,448.45
02/01/2042				4,580.35
08/01/2042				4,716.15
02/01/2043				4,856.00
08/01/2043				5,000.00

