

Exhibit _____
FINANCING PLAN
(INDIA BASIN)

FINANCING PLAN (INDIA BASIN)

This FINANCING PLAN (India Basin) (the “**Financing Plan**”) implements and is part of the Development Agreement. As used in this Financing Plan, capitalized terms used herein have the definitions given to them in Section 3.2.

1. OVERVIEW

1.1 Project Purposes

(a) Purpose of Financing Plan. The purpose of this Financing Plan is to establish the contractual framework for mutual cooperation between the City and Developer necessary to implement the Project. Accordingly, City shall take all actions reasonably necessary, and Developer shall cooperate reasonably with the efforts of:

(i) City to form the requested CFD, adopt the RMA, levy Facilities Special Taxes and Services Special Taxes within the CFD, and issue CFD Bonds to pay, as applicable, Qualified Project Costs, Ongoing Maintenance Services, and, when authorized pursuant to Section 2.8, Additional Community Facilities.

(ii) City to finance Baseline Maintenance Services without Services Special Taxes and Ongoing Maintenance Services with Services Special Taxes in the manner described in this Financing Plan.

2. COMMUNITY FACILITIES DISTRICT FINANCING

2.1 Formation of the CFD

(a) Formation. Developer shall submit a petition to the City for formation of the CFD over the Project Site so that the CFD is established by the Board of Supervisors before issuance by City of the first tentative subdivision map for the Project. City shall establish the CFD pursuant to this Financing Plan upon the submission by the Developer of such petition. Developer acknowledges that the CFD Goals will prevail over any inconsistent terms in this Financing Plan, unless the Board of Supervisors in its sole discretion approves a waiver of the CFD Goals. The CFD may include separate tax zones, consistent with the Development Phases under the Development Agreement. In addition, Developer and City may mutually agree to identify property for future annexation and additional public capital facilities for the Project to be financed under the CFD Act in the CFD formation proceedings. So long as such CFD complies in all material respects with the terms and conditions set forth in this Financing Plan, Developer agrees to vote in favor of the formation of the CFD, and shall not transfer any portion of the Project Site before formation of the CFD

without the Transferee expressly agreeing to also vote in favor of the formation of the CFD consistent with this Section and the Financing Plan.

(b) Taxable Parcels. Developer and City intend that Project Special Taxes will be levied against all Taxable Parcels for the purposes described in this Financing Plan and agree that all Exempt Parcels will be exempt from Project Special Taxes.

(c) Petition.

(i) Developer shall petition City under the CFD Act to establish the CFD over the Project Site. In its petition, Developer may include proposed specifications for the CFD, including Facilities Special Tax rates, Services Special Tax rates and any proposed tax zones within the CFD, the identity of any property to be annexed into the CFD at a later date (if any). In its petition, the Developer shall have the discretion to propose Project Tax Rates, subject to compliance with Section 2.3(d).

(ii) Following City's receipt of a petition, Developer and City will meet with City's public financing consultants to determine reasonable and appropriate terms of the proposed CFD as set forth in Developer's petition to the extent consistent with this Financing Plan.

(d) Authorized Uses. The CFD shall be authorized to finance Qualified Project Costs, Additional Community Facilities, and Ongoing Maintenance Services, irrespective of the geographic location of the improvements financed or maintained.

(e) Joint Community Facilities Agreements. Under the CFD Act, City may be required to enter into a joint community facilities agreement with another Governmental Entity that will own or operate any of the authorized improvements. City and Developer agree that they will take all steps necessary to procure the authorization and execution of any required joint community facilities agreement with a Governmental Entity other than City before the issuance of any CFD Bonds that will finance authorized improvements that will be owned or operated by such Governmental Entity other than City.

(f) Notice of Special Tax Lien. Project Special Taxes will be secured by recordation in the Official Records of continuing liens against all Taxable Parcels in the CFD.

2.2 Scope of CFD-Financed Costs

(a) Authorized Costs. The CFD may finance only Qualified Project Costs, Additional Community Facilities, and Ongoing Maintenance Services.

2.3 Parameters of CFD Formation

(a) Cooperation. Developer and City agree to cooperate reasonably in developing the RMA for the CFD that is consistent with this Financing Plan and, to the

extent consistent with this Financing Plan, Developer's petition. Developer and City will each use good-faith reasonable efforts at all times to furnish timely to the other, or to obtain and then furnish to the other, any information necessary to develop the RMA, such as legal boundaries of the property to be included and Developer's plans for the types, sizes, numbers, and timing for construction of Buildings, within the CFD.

(b) RMA Consultants and Approval. The RMA for the CFD will be: (i) developed by City's special tax consultant, in consultation with Developer and City's staff and other consultants; (ii) consistent with Developer's petition to the extent consistent with this Financing Plan; and (iii) subject to approval of the Board of Supervisors in the resolution of formation. Project Special Taxes on any Taxable Parcel must not exceed any applicable maximum or minimum rate specified in the CFD Goals and this Financing Plan, unless otherwise approved by the Board of Supervisors and Developer.

(c) Priority Administrative Costs. In the formation process for the CFD, City and Developer will agree on the amount of annual CFD administrative costs that will have first priority for payment by Project Special Taxes based on: (i) actual administration costs of other community facilities districts of the City; and (ii) the CFD's complexity and size.

(d) Project Special Taxes. The RMA will create two categories of special taxes: the Facilities Special Tax and the Services Special Tax. The RMA shall specify Facilities Special Tax rates and Services Special Tax rates for Developed Property. [The Project Special Tax rates for Developed Property may vary based on sizes, densities, types of Buildings to be constructed, and other relevant factors when the CFD is formed. The RMA will establish Facilities Special Tax rates assuming that any First Tranche CFD Bonds issued will have a debt service coverage-ratio of one hundred ten percent (110%), unless City and Developer approve a higher ratio to market the First Tranche CFD Bonds effectively][discuss] The RMA shall also establish Facility Special Tax rates for Undeveloped Property. There shall be no levy of Services Special Taxes on Undeveloped Property. In its petition, the Developer shall have the discretion to propose Project Tax Rates that are consistent with the following:

(i) The Total Tax Obligation that results from the Developer's selection of the Project Special Tax rates (the "**Developer-Selected Percentage**") shall not exceed 1.75% (the "**1.75% Ceiling**") based on projected sales prices and calculated at the time of the resolution of intention to form the CFD,

(ii) (A) the Services Special Tax rates on Taxable Parcels, based on projected sales prices and calculated at the time of the resolution of intention to form the CFD, may not be lower than necessary to generate \$1,500,000 for Ongoing Maintenance Services in Fiscal Year 2018-19 dollars, and (B) the Services Special Tax on commercial Taxable Parcels shall not be less than \$0.60 per square foot in Fiscal Year 2018-19 dollars (the "**Base Services Special Tax Rate**"),

(iii) the Facilities Special Tax rates on residential properties may

not be lower than (A) 0.55% of value based on projected sales prices and calculated at the time of the resolution of intention to form the CFD less (B) the Base Services Special Tax Rate, and

(iv) the Facilities Special Tax rates on commercial parcels shall not be lower than \$1.20 per square foot in Fiscal Year 2018-19 dollars (together the Facilities Special Tax rates in clauses (iii) and (iv) constitute the **“Base Facilities Special Tax Rate”**).

In the event of a conflict between the 1.75% Ceiling and the Base Special Tax Rates, the parties agree that the Base Special Tax Rates shall be maintained.

(e) Escalation of Special Tax Rates. For the Facilities Special Tax, the RMA will provide for annual increases in the Facilities Special Tax rates of 2% annually. For the Services Special Tax, the RMA shall provide for annual increases that shall be the lesser of (i) the percentage change in CPI or some other acceptable index, or (ii) 5%.

(f) Priority for Annual Levy of Facilities Special Taxes. The RMA will provide for the levy of Facilities Special Taxes at the maximum Facilities Special Tax rate beginning in the initial year of the levy and continuing for a period of time determined by the City. Thereafter, the City shall levy Facilities Special Taxes each remaining year of its term to fund debt service (not including capitalized interest), administrative costs, Qualified Project Costs, Ongoing Maintenance Costs and, when authorized pursuant to Section 2.8, Additional Community Facilities to be financed by the CFD (collectively, the **“Facilities Special Tax Requirement”**) according to the priorities set forth in the Indenture, until the Facilities Special Tax Requirement is fully satisfied. The RMA must reflect the priorities set forth below:

(i) First, Facilities Special Taxes will be levied on each Taxable Parcel of Developed Property up to the maximum Facilities Special Tax rate, regardless of whether City has issued CFD Bonds or the debt service requirements for any existing CFD Bonds, before applying any capitalized interest.

(ii) Second, to the extent the funds to be collected under clause (i) will not be sufficient to satisfy the Special Tax Requirement in full after application of any capitalized interest, Facilities Special Taxes will be levied proportionately on each Taxable Parcel of Undeveloped Property, up to one hundred percent (100%) of the applicable maximum Facilities Special Tax rate until the Special Tax Requirement (excluding Ongoing Maintenance Costs) is satisfied.

(g) Use of Remainder Taxes.

(i) Developer and City contemplate that, within the CFD, Qualified Project Costs will be paid from Remainder Taxes both before and after the issuance of CFD Bonds for the CFD and after the final maturity of any CFD Bonds for the CFD. Accordingly, the RMA will provide that Remainder Taxes may be used to finance

Qualified Project Costs, Ongoing Maintenance Costs and Additional Community Facilities. Annually, on or before October 1 of each year, the City shall deposit Remainder Taxes in the Remainder Taxes Project Account for the CFD.

(ii) Prior to the CFD Conversion Date, amounts on deposit in the Remainder Taxes Project Account shall be applied to pay Qualified Project Costs and Ongoing Maintenance Costs, with Remainder Taxes used to reimburse the Developer for Qualified Project Costs before the Remainder Taxes are used for Ongoing Maintenance Services. After the CFD Conversion Date, amounts on deposit in the Remainder Taxes Project Account shall be applied to finance Additional Community Facilities and Ongoing Maintenance Costs at the discretion of the City.

(h) No Pledge for Debt Service. Remainder Taxes deposited in the Remainder Taxes Project Account will not be deemed or construed to be pledged for payment of debt service on any CFD Bonds, and neither Developer nor any other Person will have the right to demand or require that City or Fiscal Agent, as applicable, use funds in the Remainder Taxes Project Account to pay debt service. Prior to the CFD Conversion Date, any amounts in the Remainder Taxes Project Account that are not needed to pay a requisition from the Developer that has been approved for reimbursement of Qualified Project Costs may be used by the City to pay debt service on any CFD Bonds, CFD administrative costs or replenish a debt service reserve account for any CFD Bonds.

(i) Prepayment. The RMA will include provisions allowing a property owner within the CFD that is not in default of its obligation to pay Facilities Special Taxes to prepay Facilities Special Taxes in full or in part based on a formula that will require payment of the property owner's anticipated total Facilities Special Tax obligation; provided. Prepaid Facilities Special Taxes will be placed in a segregated account in accordance with the applicable Indenture. The RMA and the Indenture will specify the use of prepaid Facilities Special Taxes. The Services Special Tax may not be prepaid.

(j) Amendment to RMA. The RMA must be consistent with this Financing Plan. Nothing in this Financing Plan will prevent an amendment of the RMA for the CFD under its terms or under Change Proceedings as described in this Financing Plan.

(k) Reducing Facilities Special Tax Rates Before Issuance of First Tranche CFD Bonds. The RMA shall contain a provision that allows Developer to request that the Total Tax Obligation be recalculated and Facilities Special Tax rates be reduced (subject to City consent, not to be reasonably withheld) before any First Tranche CFD Bonds are issued so that the Total Tax Obligation does not exceed the Developer-Selected Percentage based on the actual or projected sales prices of Taxable Parcels at the time of recalculation, but only as long as such reduction does not reduce the Services Special Tax rates below the Base Services Special Tax Rate or the Facilities Special Tax rates below the Base Facilities Special Tax Rate. Subject to the CFD Act, but only if expressly permitted and defined in the RMA, after consultation with Developer regarding its request, City may elect to reduce Facilities Special Tax

rates in the CFD administratively without the vote of the qualified CFD electors before First Tranche CFD Bonds for the CFD are issued, but only as long as such reduction does not reduce the Facilities Special Tax rates below the Base Facilities Special Tax Rate. If expressly permitted and defined in the RMA, a reduction in one taxing category does not have to be proportionate to the reduction in any other taxing category (i.e., disproportionate reductions may be expressly allowed in the RMA). If the maximum Facilities Special Tax rate is permanently reduced, City will record timely an appropriate instrument in the Official Records.

2.4 Issuance of CFD Bonds

(a) Issuance. Subject to approval of the Board of Supervisors, City, on behalf of the CFD, intends to issue First Tranche CFD Bonds for purposes of this Financing Plan, but only upon the written request of the Developer. Developer may submit written requests that City issue First Tranche CFD Bonds, specifying requested issuance dates, amounts, and main financing terms. Following Developer's request, Developer and City will meet with City's public financing consultants to determine reasonable and appropriate issuance dates, amounts, and main financing terms that are consistent with this Financing Plan.

(b) Payment Dates. So that Remainder Taxes may be calculated on the same date for all CFD Bonds, each issue of CFD Bonds shall have interest payment dates of March 1 and September 1, with principal due on September 1.

(c) Value-to-Lien Ratio. The appraised or assessed value-to-lien ratio required for each First Tranche CFD Bond issue will be three to one (3:1), unless otherwise required by the CFD Act or the mutual agreement of Developer and City.

(d) Coverage Ratio. All First Tranche CFD Bonds will have a debt service coverage-ratio of one hundred ten percent (110%), unless otherwise agreed to by City and Developer.

(e) Term. Subject to Section 2.8, First Tranche CFD Bonds will have a term of not less than thirty (30) years and not more than forty (40) years unless Developer and City agree otherwise.

(f) Second Tranche CFD Bonds. After the CFD Conversion Date for the CFD, City has the right in its sole discretion to issue Second Tranche CFD Bonds in the CFD as set forth in this Financing Plan.

2.5 Use of Proceeds

(a) First Tranche CFD Bond Proceeds. Subject to Tax Laws, the CFD Act, and the CFD Goals, First Tranche CFD Bond proceeds will be used in the following order of priority: (i) to fund required reserves and pay costs of issuance; (ii) to fund capitalized interest amounts, if any is requested by the Developer; and (iii) to pay outstanding Qualified Project Costs and, when authorized pursuant to Section 2.8(b), outstanding Additional Community Facilities. Any First Tranche CFD Bond proceeds

remaining after the deposits required by the preceding clauses (i) and (ii) will be deposited into the CFD Bonds Project Account as designated in the Indenture .

(b) Qualified Project Costs; Additional Community Facilities. By this Financing Plan, City pledges the proceeds of First Tranche CFD Bonds on deposit in CFD Bonds Project Accounts or as otherwise provided in the applicable Indenture and, subject to Sections 2.3(g), all Remainder Taxes on deposit in the Remainder Taxes Project Account to finance Qualified Project Costs and, when authorized pursuant to Section 2.8, Additional Community Facilities. In furtherance of this pledge, City shall levy Facilities Special Taxes in each Fiscal Year in strict accordance with the RMA and this Financing Plan.

(c) Priority of Proceeds Prior to CFD Conversion Date. Subject to Tax Laws and the CFD Act, prior to the CFD Conversion Date, the proceeds of First Tranche CFD Bonds and Remainder Taxes shall be applied for the following purposes in the following priority:

(i) Qualified Project Costs and, when authorized pursuant to Section 2.8(b), outstanding Additional Community Facilities;

(ii) For repair and replacement of improvements that comprise Project Costs; and

(iii) To be held as a reserve for Additional Community Facilities.

(d) Prohibited Uses of Proceeds. Prior to the CFD Conversion Date, the proceeds of First Tranche CFD Bonds and Remainder Taxes shall not be used to finance all or any part of (i) 900 Innes, (ii) India Basin Shoreline Park, or (iii) any Ongoing Maintenance Services.

2.6 Miscellaneous CFD Provisions

(a) Change Proceedings. Subject to the limitations in this Financing Plan, Tax Law and the CFD Act, and so long as the proposed changes do not adversely affect the issuance or amount of Second Tranche CFD Bonds or the application, timing of receipt, or overall amount of Remainder Taxes to pay Additional Community Facilities pursuant to Section 2.8, City will not reject unreasonably Developer's request to conduct Change Proceedings under the CFD Act to: (i) make any changes to the RMA, including amending the rates and method of apportionment of Facilities Special Taxes (subject to maintaining the Base Special Tax Rates and not exceeding the 1.75% Ceiling); (ii) increase or decrease the authorized bonded indebtedness limit within the CFD; (iii) annex property into the CFD; (iv) add additional public capital facilities for the Project; or (v) take other actions reasonably requested by Developer. For purposes of this Section 2.6(a), Developer acknowledges that any reduction in the Services Special Tax rates below the Base Services Special Tax Rates and any reduction in the Facilities Special Tax rates below the Base Facilities Special Tax Rates through Change Proceedings shall require the consent of City, which may be granted in its discretion. Except as set forth in the previous sentence, for purposes of this Section 2.6(a), City

agrees that none of the following changes will be deemed to adversely affect the ability of City to issue Second Tranche CFD Bonds or apply the Remainder Taxes to Additional Community Facilities pursuant to Section 2.8: (x) increasing the Project Special Tax rates in an RMA for any land use classification; (y) increasing the authorized bonded indebtedness limit; and (z) authorizing the financing of additional public capital facilities for the Project.

(b) Maintaining Levy of CFD Financing. Under section 3 of article XIIC of the California Constitution, voters may, under certain circumstances, vote to reduce or repeal the levy of special taxes in a community facilities district. However, Section 9 of article I of the California Constitution prohibits the passage of a law resulting in an impairment of contract. The purpose of this Section 2.6(b) is to give notice that: (i) the Development Agreement (including this Financing Plan) is a contract between Developer and the City; (ii) the financing of the Qualified Project Costs and the Additional Community Facilities through the application of CFD Bond proceeds (which are secured by Facilities Special Taxes) and Remainder Taxes is an essential part of the consideration for the Development Agreement; (iii) the financing of Ongoing Maintenance Services through the application of Services Special Taxes is an essential part of the consideration for the Development Agreement; and (iv) any reduction in City's ability to levy and collect Project Special Taxes would materially impair the Development Agreement. To further preserve the Development Agreement, City agrees that: (y) until all First Tranche CFD Bonds have been repaid in full or defeased before maturity for any reason other than a refunding, it will not initiate or conduct proceedings under the CFD Act to reduce the Project Special Tax rates without Developer's written consent or if not otherwise legally compelled to do so (e.g., by a final order of a court of competent jurisdiction); and (z) if the voters adopt an initiative ordinance under section 3 of article XIIC of the California Constitution that purports to reduce, repeal, or otherwise alter the Project Special Tax rates before all First Tranche CFD Bonds have been repaid in full or defeased before maturity for any reason other than a refunding, City will meet and confer with Developer to consider commencing and pursuing reasonable legal action to preserve City's ability to comply with this Financing Plan.

(c) Covenant to Foreclose. City will covenant with CFD bondholders to foreclose the lien of delinquent Facilities Special Taxes consistent with the general practice for community facilities districts in California and otherwise as determined by City in consultation with its underwriter or financial advisor for the CFD indebtedness and other consultants, subject to applicable laws.

(d) Reserve Fund Earnings. The Indenture for each issue of First Tranche CFD Bonds will provide that earnings on any reserve fund that are not then needed to replenish the reserve fund to the reserve requirement will be transferred to: (i) the CFD Bonds Project Account for allowed uses until it is closed in accordance with the Indenture; then (ii) the debt service fund held by the Fiscal Agent under the Indenture.

(e) Authorization of Reimbursements. City will take all actions necessary to satisfy section 53314.9 of the Government Code or any similar statute

subsequently enacted to use First Tranche CFD Bond proceeds and Remainder Taxes to reimburse Developer for: (i) CFD formation and First Tranche CFD Bond issuance deposits; and (ii) advance funding of Qualified Project Costs.

(f) Material Changes to the CFD Act. If material changes to the CFD Act after the Reference Date make CFD Bonds or Facilities Special Taxes unavailable or severely impair their use as a source for financing the Qualified Project Costs or Additional Community Facilities or Services Special Taxes unavailable or severely impair their use as a source of financing for Ongoing Maintenance Services, City and Developer will negotiate in good faith as to a substitute public financing program equivalent in nature and function to CFDs.

(g) CFD Goals. Until the CFD Conversion Date for the CFD, the City shall not change or amend the CFD Goals as they apply to the CFD if such changes or amendments adversely impact the Project or are inconsistent with this Financing Plan unless such changes or amendments are required under the Mello-Roos Act or other controlling State or federal law or, with respect to the CFD, as otherwise approved by Developer in its sole discretion.

(h) Private Placement of CFD Bonds. Subject to Board of Supervisors approval, upon Developer's written request, City shall consider CFD Bonds in a private placement to a small number of investors (which may include Developer and its Affiliates). In connection with any such private placement, City and the investors may agree upon terms regarding the security of the CFD Bonds other than as required by this Agreement, including, but not limited to, the 3:1 value-to-lien ratio of Section 2.4(c); provided, however, any CFD Bonds must have a debt service coverage-ratio of at least one hundred ten percent (110%) unless City consents to a lower amount. Consistent with the CFD Goals, the City will consider the appropriate categories of investors for any such CFD Bonds.

(i) No Credit Enhancement. So long as the value of property in the CFD is at least equal to the required value-to-lien ratio, the City shall not require the Developer or any property owner in the CFD to provide a letter of credit or other credit enhancement as security for the payment of the Facilities Special Taxes in the CFD.

(j) Acquisition Agreement. Contemporaneously with the formation of the CFD, Developer and City will enter into the Acquisition and Reimbursement Agreement that will apply to the acquisition and construction of the authorized improvements for the CFD. The Acquisition and Reimbursement Agreement shall be structured so that it is automatically applicable to any financing by special taxes levied in, or CFD Bonds issued for, all phases of the Project, without requiring any modifications to the Acquisition and Reimbursement Agreement or any further approvals by the City. The Acquisition and Reimbursement Agreement shall contain an acknowledgment by the City and Developer as to the following:

(i) Developer may be constructing authorized improvements before CFD Bond proceeds and Remainder Taxes (herein, "**Funding Sources**") will be

used to acquire them are available;

(ii) The City will inspect such improvements and process payment requests even if Funding Sources for the amount of pending payment requests are not then sufficient to satisfy them in full;

(iii) Authorized improvements may be conveyed to and accepted by the City or other Governmental Entity before the applicable payment requests are paid in full;

(iv) If the City or other Governmental Entity accepts authorized improvements before the applicable payment requests are paid in full, the unpaid balance will be paid when sufficient Funding Sources become available, and the Acquisition and Reimbursement Agreement will provide that the applicable payment requests for such improvements accepted by the City or other Governmental Entity may be paid: (A) in any number of installments as Funding Sources become available; and (B) irrespective of the length of time payment is deferred; and

(v) Developer's conveyance or dedication of authorized improvements to the City or other Governmental Entity before the availability of Funding Sources to acquire such improvements is not a dedication or gift, or a waiver of Developer's right to payment of such improvements under this Financing Plan or the Acquisition and Reimbursement Agreement.

(k) No Other Land-Secured Financings. Except to the extent required by law, other than the CFD, City shall not initiate formation of any land-secured financing district involving the levy of special taxes or assessments over any portion of the property in the Project without Developer's written consent which may be given in its sole discretion.

2.7 Ongoing Service Maintenance

(a) Baseline Maintenance Costs. The Parties agree that the Baseline Maintenance Costs shall be the sole responsibility of the City and shall not be paid for with Services Special Taxes without the consent of Developer during the term of the Development Agreement.

(b) Maintenance Budget. Not later than May 1 of each year following the Maintenance Commencement Date, City shall prepare a preliminary budget of the Estimated Maintenance Costs for the immediately succeeding Maintenance Period. The Estimated Maintenance Costs shall be determined by (i) estimating the costs of the Ongoing Maintenance Services to be incurred during the immediately succeeding Maintenance Period and (ii) subtracting (A) any funds and revenues that are received for maintenance purposes, and (B) any funds on deposit in the Ongoing Maintenance Account that are not committed to the payment of Ongoing Maintenance Services during the current Maintenance Period.

(c) Delivery of Maintenance Budget. During the term of the Development Agreement, upon completion by City, the preliminary budget will promptly be delivered to Developer for review. Developer shall have fifteen (15) days to review and comment on the preliminary budget. City will duly evaluate and implement the reasonable suggestions made by Developer, and City shall distribute a final version of the budget to Developer (as finalized, the “**Maintenance Budget**”). The Maintenance Budget must be completed by no later than July 1 in any given year.

(d) Covenants. Developer agrees to establish covenants, conditions, and restrictions approved by the City, to be recorded in the Official Records before any portion of the Project Site is sold, obligating every owner of a Taxable Parcel in the Project Site to pay in perpetuity an amount equivalent to the Services Special Taxes if for any reason the CFD or its taxing powers are ever eliminated or reduced for any reason, including any vote of the qualified electors in the CFD.

2.8 CFD Limitations

(a) City and Developer agree that the CFD will be formed so that the proceeds of CFD Bonds and Remainder Taxes may be applied to accomplish, as applicable, the following goals in the manner set forth in this Financing Plan: to finance (i) Qualified Project Costs; (ii) Additional Community Facilities; and (iii) Ongoing Maintenance Services. To accomplish these goals, and subject to the limitations set forth in this Section 2.8, and in light of the Base Special Tax Rates and the 1.75% Ceiling, and the CFD Goals:

(i) the CFD will be authorized to finance the Qualified Project Costs, Ongoing Maintenance Services and the Additional Community Facilities;

(ii) the term for levying Facilities Special Taxes will be established at no less than 84 years from the first issuance of CFD Bonds in the CFD;

(iii) the amount of authorized bonded indebtedness will be established to allow the issuance of the First Tranche CFD Bonds to finance Qualified Project Costs (without reducing the Services Special Taxes) and the Second Tranche CFD Bonds to finance Additional Community Facilities; and

(iv) the Services Special Taxes will be levied in perpetuity.

(b) Until the CFD Conversion Date, CFD Bonds will be issued exclusively to finance Qualified Project Costs unless Developer, in its sole discretion, consents in writing to the issuance of CFD Bonds for the CFD to finance Additional Community Facilities. After the CFD Conversion Date, City may issue CFD Bonds to finance Additional Community Facilities.

(c) City and Developer agree that, within the CFD, City shall not be obligated to issue First Tranche CFD Bonds (including refunding bonds) with a final

maturity of later than the date that is forty-two (42) years after the issuance of the first series of First Tranche CFD Bonds in the CFD without the approval of Board of Supervisors in its sole discretion. Unless City and Developer agree otherwise, any CFD Bonds issued to refund First Tranche CFD Bonds shall comply with applicable provisions of the CFD Act pursuant to which refunding bonds will not result in a reduction of the total authorized amount of the bonded indebtedness of the CFD and, in any event, the final maturity date of the refunding bonds shall not exceed the latest maturity date of the First Tranche CFD Bonds being refunded. The previous sentence shall not prevent the issuance of a series of First Tranche CFD Bonds for new money and refunding purposes, so long as the portion of the First Tranche CFD Bonds attributable to the refunding purpose meets the requirements of the previous sentence.

3. INTERPRETATION; DEFINITIONS

3.1 Interpretation of Agreement

(a) Development Agreement. This Financing Plan is a part of the Development Agreement and is subject to all of its general terms, including the rules of interpretation.

(b) Inconsistent Provisions. Developer and City intend for this Financing Plan to prevail over any inconsistent provisions relating to the financing structure for the Project and their respective financing-related obligations in any other document related to the Project.

3.2 Defined Terms

(a) Definitions. The following terms have the meanings given to them below or are defined where indicated.

“1.75% Ceiling” is defined in Section 2.3(d).

“Acquisition and Reimbursement Agreement” means the agreement between Developer and City governing the terms of City’s acquisition of authorized improvements and reimbursement of Qualified Project Costs, as the same may be modified or amended from time to time.

“Additional Community Facilities” means any public facilities that may be financed by the City with Second Tranche CFD Bonds and Remainder Taxes under applicable law and in the matter set forth in this Financing Plan, including Future Sea Level Rise Improvements.

“Affiliate” is defined in the Development Agreement.

“Base Facilities Special Tax Rate” is defined in Section 2.3(d)(iv).

“Base Services Special Tax Rate” is defined in Section 2.3(d)(ii).

“Base Special Tax Rates” means, collectively, the Base Facilities Special Tax Rate and the Base Services Special Tax Rate.

“Baseline Maintenance Costs” means the costs to provide maintenance services to the City Maintained Facilities consistent with City custom for similar facilities throughout the City.

“Board of Supervisors” is defined in the Development Agreement.

“Building” means any structure to be constructed within the CFD, including structures that contain Taxable Parcels, commercial, industrial, science and technology, research and development, and office uses.

“CFD” means a community facilities district formed over all of the Project Site that is established under the CFD Act to finance Qualified Project Costs, Additional Community Facilities, and Ongoing Maintenance Services.

“CFD Act” means the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X), which incorporates the Mello-Roos Act, as amended from time to time.

“CFD Bonds” means one or more series of bonds (including refunding bonds) secured by the levy of Facilities Special Taxes in the CFD, including First Tranche CFD Bonds and Second Tranche CFD Bonds.

“CFD Bonds Project Account” means the funds or accounts, however denominated, held by the Fiscal Agent under an Indenture containing the CFD Bond proceeds to be used to finance Qualified Project Costs and, when authorized pursuant to Section 2.8, Additional Community Facilities.

“CFD Conversion Date” means the earliest to occur of (i) the date that all Qualified Project Costs approved by City for reimbursement have been paid or reimbursed to Developer for the Project as a whole, or (ii) the date that is forty-two (42) years after the issuance of the first series of First Tranche CFD Bonds in the CFD.

“CFD Goals” the Local Goals and Policies for Community Facilities Districts, approved by Board of Supervisors Resolution No. 387-09 in effect on the Reference Date, and, subject to Section 2.6(g), as amended from time to time.

“CFD Maintained Facilities” means the facilities identified on the Maintenance Matrix as being maintained by the Services Special Tax.

“Change Proceedings” means proceedings under section 53332 of the Mello-Roos Act initiated by Developer’s petition.

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

“City Maintained Facilities” means the facilities identified on the Maintenance Matrix as being maintained by the City or other Governmental Entity.

“Development Agreement” means the Development Agreement by and between City and Developer relative to the India Basin Project.

“Developed Property” means, for both the Facilities Special Tax and the Services Special Tax, in any Fiscal Year, an assessor’s parcel of Taxable Property for which a temporary certificate of occupancy has been issued on or before June 30 of the preceding Fiscal Year.

“Developer” is defined in the Development Agreement.

“Estimated Maintenance Cost” means the estimated costs of the Ongoing Maintenance Services for a Maintenance Period, as determined pursuant to Section 2.7(a).

“Exempt Parcel” means the Public Property. Exempt Parcel does not include an assessor’s parcel that, immediately prior to the acquisition by City or other Governmental Entity, was a Taxable Parcel that City or any other Governmental Entity acquires by gift, devise, negotiated transaction, or foreclosure (including by way of credit bidding), or an assessor’s parcel that, immediately prior to the acquisition by City, was a Taxable Parcel that City acquires under any right of reverter.

“Facilities Special Tax” means a special tax levied under the RMA that will be used to finance Qualified Project Costs, Additional Community Facilities and Ongoing Maintenance Services or to secure CFD Bonds the proceeds of which are used to finance Qualified Project Costs and Additional Community Facilities, including all delinquent Facilities Special Taxes collected at any time by payment or through foreclosure proceeds.

“Financing Plan” means this Financing Plan.

“First Tranche” means one or more series of CFD Bonds (including refunding bonds) issued prior to the CFD Conversion Date and secured by the levy of Facilities Special Taxes in the CFD.

“Fiscal Agent” means the fiscal agent or trustee under an Indenture.

“Fiscal Year” means the period commencing on July 1 of any year and ending on the following June 30.

“Funding Sources” is defined in Section 2.6(j).

“Future Sea Level Rise Improvements” means future improvements deemed necessary or appropriate by City to ensure that the shoreline, public facilities, and public access improvements will be protected should sea level rise at or near the Project Site.

“Governmental Entity” is defined in the Development Agreement.

“Indenture” means one or more indentures, trust agreements, fiscal agent agreements, financing agreements, or other documents containing the terms of any indebtedness that is secured by a pledge of and to be paid from Facilities Special Taxes.

“Maintenance Budget” is defined in Section 2.7(b).

“Maintenance Commencement Date” means the date that the first vertical development within the Project Site is Completed.

“Maintenance Matrix” means the India Basin Improvement Matrix agreed to the Parties before final formation of the CFD. A preliminary form of the Maintenance Matrix is attached to this Financing Plan as Exhibit A.

“Maintenance Period” means, in each year, the one-year period commencing July 1 and ending on June 30.

“Mello-Roos Act” means the Mello-Roos Community Facilities Act of 1982 (Cal. Gov’t Code §§ 53311-53368), as amended from time to time.

“Official Records” is defined in the Development Agreement.

“Ongoing Maintenance Account” means a separate account created by City and maintained by City to hold all Services Special Taxes collected from the CFD to be used for financing Ongoing Maintenance Services during the applicable Maintenance Period, or to fund service reserves for future repair and replacement that are part of the normal maintenance operations.

“Ongoing Maintenance Services” means operation and maintenance of the CFD Maintained Facilities.

“Person” is defined in the Development Agreement.

“Principal Payment Date” means, (i) if CFD Bonds have not yet been issued for the CFD, September 1 of each year, and (ii) if CFD Bonds have been issued for the CFD, the calendar date on which principal or sinking fund payments on the CFD Bonds are, in any year, payable (for example, if the principal amount of CFD Bonds are payable on September 1, the Principal Payment Date shall be September 1, regardless of whether principal payments are actually due in any particular year).

“Project” is defined in the Development Agreement.

“Project Costs” means the hard and soft costs of the following improvements:
[NTD: discuss CFD financing of privately-owned improvements]

- a. Public Streets (Griffith Street, New Hudson Avenue, Arelious Walker Drive, Earl Street, Beach Lane, Fairfax Lane, and Spring Plan)
- b. All public and private utilities on the Project Site (including, but not limited to the stormwater treatment facilities and outfall, decentralized non-potable water reuse system, storm drain, domestic water, non-potable water, and joint trench facilities including sanitary sewer mains).
- c. Public Open Space located within the 700 Innes Property (Big Green) and India Basin Open Space (including, but not limited to wetland enhancement, perched beach, boardwalk, and recreation areas).
- d. Transitional Open Spaces – Privately owned, publicly accessible open spaces (including but not limited to Cove Terrace, Earl Path, Town Triangle, Transit Plaza, and East Shoreline)
- e. Internal privately-owned publicly accessible open spaces (plazas pathways and stairs)
- f. Innes Avenue street and intersection improvement between Griffith and Earl Streets.

“Project Site” is defined in the Development Agreement.

“Project Special Taxes” means, collectively, the Facilities Special Taxes and the Services Special Taxes in the CFD.

“Public Property” is defined in the Development Agreement.

“Qualified” when used in reference to Project Costs means the Project Costs and other authorized capital public facility costs, each to the extent authorized to be financed under the CFD Act, Tax Laws (if applicable), and this Financing Plan.

“Reference Date” is defined in the Development Agreement.

“Remainder Taxes” means, in each year, as of the day following the Principal Payment Date for the CFD, all Facilities Special Taxes collected prior to such date in the CFD in excess of the total of: (a) debt service on the outstanding CFD Bonds for the CFD due in the current calendar year, if any; (b) priority and any other reasonable administrative costs for the CFD payable in that Fiscal Year; (c) amounts levied to replenish the applicable reserve fund as of the Principal Payment Date, including amounts reserved for reasonable anticipated delinquencies, if any, and (d) amounts needed to pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds.

“Remainder Taxes Project Account” is a separate account created by or on behalf of City for the CFD and maintained by or on behalf of City to hold all Remainder

Taxes for the CFD to be used as set forth in this Financing Plan.

“**RMA**” means the rate and method of apportionment of special taxes for the CFD, adopted in accordance with the CFD Act.

“**Second Tranche**” means one or more series of CFD Bonds issued after the CFD Conversion Date and secured by the levy of Facilities Special Taxes in the CFD.

“**Special Tax Requirement**” is defined in Section 2.3(f).

“**Services Special Tax**” means a special tax levied in perpetuity under the RMA that will be used to finance Ongoing Maintenance Services, including all delinquent Services Special Taxes collected at any time by payment or through foreclosure proceedings.

“**State**” is defined in the Development Agreement.

“**Tax Laws**” means the Internal Revenue Code of 1986, as amended, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under said Internal Revenue Code.

“**Taxable Parcel**” means a lot or parcel within the CFD shown on an assessor’s parcel map with an assigned assessor’s parcel number that is not an Exempt Parcel.

“**Transitional Open Spaces**” has the meaning set forth in the Development Agreement.

“**Total Tax Obligation**” means, with respect to a Taxable Parcel at the time of calculation, the sum of: (a) the ad valorem taxes actually levied or projected to be levied if the Taxable Parcel were developed at the time of calculation; (b) the Project Special Tax Rates levied or projected to be levied if the Taxable Parcel were developed at the time of calculation; (c) all installments of special assessments if the Taxable Parcel were developed at the time of calculation; and (d) all other special taxes (based on assigned special tax rates) or assessments secured by a lien on the Taxable Parcel levied or projected to be levied if the Taxable Parcel were developed at the time of calculation.

“**Undeveloped Property**” means, in any Fiscal Year, Taxable Parcels in the CFD that are not Developed Property.

EXHIBIT A
MAINTENANCE MATRIX