

File No. 170629

Committee Item No. 3
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee Date June 8, 2017

Board of Supervisors Meeting Date _____

Cmte Board

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Completed by: Linda Wong Date June 1, 2017
Completed by: Linda Wong Date _____

1 [Multifamily Housing Revenue Bonds - 1601 Mariposa Apartments - Not to Exceed
2 \$240,000,000]

3 **Resolution authorizing the issuance and delivery of multifamily housing revenue bonds**
4 **in an aggregate principal amount not to exceed \$240,000,000 for the purpose of**
5 **providing financing for the acquisition and construction of a 299-unit multifamily rental**
6 **housing project located at 1601 and 1677 Mariposa Street, 485-497 Carolina Street, 395**
7 **and 420 Wisconsin Street, and 210 Arkansas Street (also known as 1601 Mariposa**
8 **Apartments); approving the form of and authorizing the execution of an indenture of**
9 **trust providing the terms and conditions of the multifamily housing revenue bonds and**
10 **authorizing the execution and delivery thereof; approving the forms of and authorizing**
11 **the execution of certain loan documents; approving the form of and authorizing the**
12 **execution of a bond purchase agreement for such bonds; approving the form of and**
13 **authorizing an official statement for such bonds and authorizing the distribution**
14 **thereof; approving the form of and authorizing the execution of a regulatory agreement**
15 **and declaration of restrictive covenants; approving the form of and authorizing the**
16 **execution of an intercreditor agreement; authorizing the collection of certain fees;**
17 **ratifying and approving any action heretofore taken in connection with the bonds and**
18 **the project; granting general authority to City officials to take actions necessary to**
19 **implement this Resolution, subject to the terms of this Resolution; and related matters,**
20 **as defined herein.**

21
22 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
23 "Board") desires to provide for a portion of the costs of the acquisition and construction by an
24 ownership entity to be known as Related/Mariposa Development Co., L.P. or another affiliate
25 of The Related Companies, L.P. or Related California Residential, LLC (such ownership entity

1 being referred to herein as the "Borrower"), of a 299-unit mixed-income multifamily housing
2 rental development located at 1601 and 1677 Mariposa Street, 485-497 Carolina Street, 395
3 and 420 Wisconsin Street and 210 Arkansas Street, San Francisco, California (also known as
4 1601 Mariposa Apartments) (the "Project"), to provide market-rate rental housing and rental
5 housing for persons and families of very low income through the issuance of multifamily
6 housing revenue bonds; and

7 WHEREAS, The City and County of San Francisco (the "City") is authorized to issue
8 revenue bonds for such purpose pursuant to the Charter of the City, Article I of Chapter 43 of
9 the Administrative Code of the City and, to the extent applicable, Chapter 7 of Part 5 of
10 Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of
11 California ("Health and Safety Code"), as now in effect and as they may from time to time
12 hereafter be amended or supplemented (collectively, the "Act"); and

13 WHEREAS, On December 14, 2016, the California Debt Limit Allocation Committee, in
14 its resolution number 16-202, allocated an amount equal to \$240,000,000 in qualified private
15 activity bond volume cap to the Project; and

16 WHEREAS, There has been prepared and presented to the Board for consideration at
17 this meeting the documentation required for the issuance and sale of and security for the
18 Bonds (as hereinafter defined), and such documentation is on file with the Clerk of the Board
19 of Supervisors (the "Clerk of the Board"); and

20 WHEREAS, It appears that each of the documents which is now before this Board is
21 substantially in appropriate form and is an appropriate instrument to be executed and
22 delivered for the purposes intended; and

23 WHEREAS, The Board finds that the public interest and necessity require that the City
24 at this time make arrangements for the sale of said Bonds; and

1 WHEREAS, The Bonds are limited obligations of the City, the sole source of repayment
2 of which shall be payments made by the Borrower under the Loan Agreement (hereinafter
3 defined), payments under one or more letters of credit arranged by or on behalf of the
4 Borrower, or other collateral pledged by the Borrower for the repayment of the Bonds,
5 together with investment income of certain funds and accounts held under the Indenture
6 (hereinafter defined); and

7 WHEREAS, The City has engaged Jones Hall, A Professional Law Corporation, and
8 Curls Bartling P.C., as co-bond counsel with respect to the Bonds ("Co-Bond Counsel"); and

9 WHEREAS, Citigroup Global Markets Inc. (the "Underwriter") has expressed its
10 intention to purchase, or cause an affiliate to purchase, the Bonds authorized hereby; now,
11 therefore, be it

12 RESOLVED, By this Board of Supervisors of the City and County of San Francisco, as
13 follows:

14 Section 1. Approval of Recitals. The Board hereby finds and declares that the
15 above recitals are true and correct.

16 Section 2. Approval of Issuance of Bonds. In accordance with the Act and the
17 Indenture (as defined herein), the City is hereby authorized to issue and deliver tax-exempt
18 and/or taxable bonds of the City, such bonds to be issued in one or more series or subseries,
19 and designated as "City and County of San Francisco Variable Rate Multifamily Housing
20 Revenue Bonds (1601 Mariposa Apartments), 2017 Series B" (the "Bonds"), or such other or
21 further designations as may be necessary or appropriate to distinguish each such series or
22 subseries of bonds from every other series and subseries of bonds or notes of the City, in an
23 aggregate principal amount not to exceed \$240,000,000 (provided that the aggregate principal
24 amount of any Bonds the interest on which is intended to be excluded from gross income of
25 the owners thereof for federal income tax purposes shall not exceed the amount of private

1 activity bond volume cap allocated for the Bonds). The Bonds shall bear taxable or tax-
2 exempt interest at fixed or variable interest rates not to exceed twelve percent (12%) per
3 annum (other than when owned by a credit or liquidity enhancer thereof, in which case there
4 shall be no maximum rate). The Bonds shall have a final maturity date not later than forty (40)
5 years after the issuance thereof. The Bonds shall be in the forms set forth in and otherwise in
6 accordance with the Indenture, and shall be executed by the manual or facsimile signature of
7 the Mayor and as further provided in the Indenture.

8 Section 3. Approval of Indenture of Trust. The Indenture of Trust for the Bonds (the
9 "Indenture"), by and between the City and U.S. Bank National Association, as trustee (the
10 "Trustee"), in the form presented to the Board, a copy of which is on file with the Clerk of the
11 Board, is hereby approved. The Mayor, the Director of the Mayor's Office of Housing and
12 Community Development (including any acting or interim Director), or any Authorized
13 Governmental Lender Representative (as such term is defined in the Indenture) is hereby
14 authorized to execute the Indenture (collectively, "Authorized Representatives" and each, an
15 "Authorized Representative"), approved as to form by the City Attorney, in substantially said
16 form, together with such additions thereto and changes therein as the City Attorney and Co-
17 Bond Counsel may approve or recommend in accordance with Section 10 hereof.

18 Section 4. Approval of Loan Agreement. The Loan Agreement relating to the
19 Bonds, by and among the City, the Borrower, and the Trustee (the "Loan Agreement"), in the
20 form presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby
21 approved. Each Authorized Representative is hereby authorized to execute the Loan
22 Agreement in substantially said form, together with such additions thereto and changes
23 therein as the City Attorney and Co-Bond Counsel may approve or recommend in accordance
24 with Section 10 hereof.

1 Section 5. Approval of Bond Purchase Agreement. The Bonds are authorized to be
2 sold to the Underwriter at a price equal to the principal amount thereof, less an underwriting
3 discount or underwriting fee not to exceed one-half of one percent (0.5%) of the principal
4 amount of the Bonds. A bond purchase agreement providing for the purchase and sale of the
5 Bonds, by and among the City, the Borrower and the Underwriter (the "Bond Purchase
6 Agreement"), in the form presented to the Board, a copy of which is on file with the Clerk of
7 the Board, is hereby approved. Each Authorized Representative is hereby authorized to
8 execute the Bond Purchase Agreement in substantially said form, together with such additions
9 thereto and changes therein as the City Attorney and Co-Bond Counsel may approve or
10 recommend in accordance with Section 10 hereof.

11 Section 6. Approval of Official Statement. The form of official statement relating to
12 the Bonds (the "Official Statement"), a copy of which is on file with the Clerk of the Board, is
13 hereby approved. Each Authorized Representative is hereby authorized to execute the
14 Official Statement in substantially said form, together with such additions and amendments
15 thereto and changes therein as the City Attorney and Hawkins Delafield & Wood LLP,
16 disclosure counsel to the City, may approve or recommend in accordance with Section 10
17 hereof. The Underwriter is hereby authorized to distribute the Official Statement to
18 prospective and actual purchasers of the Bonds.

19 Section 7. Approval of Regulatory Agreement and Declaration of Restrictive
20 Covenants. The form of Regulatory Agreement and Declaration of Restrictive Covenants for
21 the Project (the "Regulatory Agreement"), by and between the City and the Borrower, or an
22 affiliate thereof, presented to the Board, a copy of which is on file with the Clerk of the Board,
23 is hereby approved. Each Authorized Representative is hereby authorized to execute such
24 Regulatory Agreement, approved as to form by the City Attorney, in substantially said form,
25

1 together with such additions thereto and changes therein as the City Attorney and Co-Bond
2 Counsel may approve or recommend in accordance with Section 10 hereof.

3 Section 8. Approval of Intercreditor Agreement. The form of Intercreditor Agreement
4 relating to the Bonds (the "Intercreditor Agreement"), by and among the City, the Trustee and
5 Bank of America, N.A., as administrative agent, presented to the Board, a copy of which is on
6 file with the Clerk of the Board, is hereby approved. Each Authorized Representative is
7 hereby authorized to execute such Intercreditor Agreement, approved as to form by the City
8 Attorney, in substantially said form, together with such additions thereto and changes therein
9 as the City Attorney and Co-Bond Counsel may approve or recommend in accordance with
10 Section 10 hereof.

11 Section 9. Issuer Fees. The City, acting through the Mayor's Office of Housing and
12 Community Development, shall charge a fee for the administrative costs associated with
13 issuing the Bonds in an amount not to exceed 0.25% of the maximum aggregate principal
14 amount of the Bonds. Such fee shall be payable at closing and may be contingent on the
15 delivery of the Bonds. The City shall also charge an annual fee for monitoring compliance
16 with the provisions of the Regulatory Agreement in an amount not to exceed 0.125% of the
17 outstanding aggregate principal amount of the Bonds, but no less than \$2,500 annually, for
18 the term of the Regulatory Agreement. The initial monitoring fees shall be payable at the
19 closing of the Bonds. The Board hereby authorizes the Mayor's Office of Housing and
20 Community Development to charge and collect the fees described in this section.

21 Section 10. Modifications, Changes, Additions. Any Authorized Representative
22 executing the Indenture, the Loan Agreement, the Bond Purchase Agreement, the Official
23 Statement, the Regulatory Agreement, or the Intercreditor Agreement (collectively, the "City
24 Documents"), in consultation with the City Attorney and Co-Bond Counsel, is hereby
25 authorized to approve and make such modifications, changes or additions to the City

1 Documents as may be necessary or advisable, provided that such modification does not
2 authorize an aggregate principal amount of Bonds in excess of the amounts set forth herein,
3 provide for a final maturity on the Bonds later than forty (40) years after the issuance thereof,
4 or provide for the Bonds to bear interest at a rate in excess of twelve percent (12%) per
5 annum (other than Bonds owned by a credit or liquidity enhancer thereof, in which case there
6 shall be no maximum rate). The approval of any modification, addition or change to any of the
7 aforementioned documents shall be evidenced conclusively by the execution and delivery of
8 the document in question.

9 Section 11. Ratification. All actions heretofore taken by the officers and agents of the
10 City with respect to the sale and issuance of and security for the Bonds, as consistent with the
11 documents authorized herein and this Resolution, are hereby approved, confirmed and
12 ratified.

13 Section 12. General Authority. The proper officers of the City are hereby authorized
14 and directed, for and in the name and on behalf of the City, to do any and all things and take
15 any and all actions and approve, execute, acknowledge and deliver any and all certificates,
16 agreements and other documents, including but not limited to subordinations, intercreditor
17 agreements, assignments, contingency draw-down agreements, tax documents and those
18 documents described in or contemplated by the City Documents, which they, or any of them,
19 may deem necessary or advisable in order to consummate the lawful issuance and delivery of
20 the Bonds and to effectuate the purposes thereof and of the documents herein approved in
21 accordance with this Resolution in consultation with the City Attorney. Any such actions are
22 solely intended to further the purposes of the Resolution, and are subject in all respects to the
23 terms of the Resolution. No such action shall increase the risk to the City, or require the City
24 to spend any resources not otherwise granted herein. Final versions of such documents shall
25

1 be provided to the Clerk of the Board for inclusion in the official file within 30 days of execution
2 by all parties.

3 Section 13. File. All documents referenced herein as being on file with the Clerk of
4 the Board are located in File No. 176629, which is hereby declared to be a part of this
5 Resolution as if set forth fully herein.

6
7 APPROVED AS TO FORM:
8 DENNIS J. HERRERA
9 City Attorney

10 By: Kenneth D. Roux
11 KENNETH D. ROUX
12 Deputy City Attorney
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INDENTURE OF TRUST

between

CITY AND COUNTY OF SAN FRANCISCO

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of July 1, 2017

\$_[]

City and County of San Francisco
Variable Rate Multifamily Housing Revenue Bonds
(1601 Mariposa Apartments)
2017 Series B

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST (the "Indenture"), is made and entered into as of July 1, 2017, by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation organized and existing under the laws of the State of California (the "Issuer"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America, as trustee (together with any successor trustee and any separate or co-trustee serving as such pursuant to this Indenture, the "Trustee").

WITNESSETH:

WHEREAS, the Issuer is authorized by the Charter of the City and County of San Francisco, Article I of Chapter 43 of the Administrative Code of the City and County of San Francisco Municipal Code and Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, each as amended (collectively, the "Act"), to assist in the financing of multifamily housing projects in the City and County of San Francisco; and

WHEREAS, the Issuer is authorized: (a) to make loans to any person to provide financing for rental residential developments located within the City and County of San Francisco and intended to be occupied in part by persons of low and moderate income; (b) to incur indebtedness (including the issuance of bonds) for the purpose of obtaining moneys to make such loans and provide such financing, to establish any required reserve funds and to pay administrative costs and other costs incurred in connection with the incurrence of such indebtedness of the Issuer; and (c) to pledge all or any part of the revenues, receipts or resources of the Issuer, including the revenues and receipts to be received by the Issuer from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Issuer in order to secure the payment of the principal of, prepayment premium, if any, on and interest on such indebtedness of the Issuer; and

WHEREAS, the Issuer wishes to make a mortgage loan (the "Mortgage Loan") to Related/Mariposa Development Co., L.P., a [] limited partnership (the "Borrower"), to finance the acquisition and construction of a 299-unit multifamily rental housing facility located at 1601 Mariposa Street in San Francisco, California (the "Project"), all as more fully described in Exhibit A to the Loan Agreement, as hereinafter defined; and

WHEREAS, to finance the Mortgage Loan, the Issuer has determined to issue, sell and deliver the following bonds (together, the "Bonds"): the City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B, in the principal amount of \$[] (the "Bonds"), consisting of three subseries, including 2017 Series B-1, in the principal amount of \$[], 2017 Series B-2, in the principal amount of \$[], and 2017 Series B-3 (Taxable), in the principal amount of \$[]; and

WHEREAS, to evidence the Mortgage Loan, the Issuer, the Borrower and the Trustee have executed and delivered a Loan Agreement, dated as of July 1, 2017 (the "Loan Agreement"); and

WHEREAS, the Borrower has caused to be delivered to the Trustee for the benefit of the Bondowners a letter of credit issued by Bank of America, N.A. and delivered to the Trustee to provide credit enhancement and liquidity support for the Series B-1 Bonds; and

WHEREAS, the Borrower has also caused to be delivered to the Trustee for the benefit of the Bondowners a letter of credit issued by Bank of America, N.A. delivered to the Trustee to provide credit enhancement and liquidity support for the Series B-2 Bonds and the Series B-3 Bonds; and

WHEREAS, the Issuer and the Borrower have executed and delivered a Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), pursuant to which the Borrower has agreed to use and operate the Project in accordance with the requirements of the Act, the Code and the Issuer; and

WHEREAS, the execution and delivery of this Indenture and the issuance, execution and delivery of the Bonds have been in all respects duly and validly authorized by the Issuer; and

WHEREAS, the Bonds and the Trustee's certificate of authentication endorsed thereon shall be in substantially the form presented in Exhibit A hereto, with such necessary and appropriate variations, omissions and insertions as are permitted or required by this Indenture; and

WHEREAS, all things necessary to make the Bonds, when executed by the Issuer and when authenticated and delivered by the Trustee, duly issued, valid and binding, special, limited obligations of the Issuer, and all other acts and things necessary to constitute this Indenture a valid, binding and legal instrument for the security of the Bonds have been done and performed;

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

That the Issuer, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the purchasers thereof, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to secure (i) on a senior basis, the payment of the principal of, premium, if any, purchase price and interest on all Bonds outstanding hereunder from time to time, according to their tenor and effect, and the observance and performance by the Issuer of all the covenants expressed or implied herein and in the Bonds, and (ii) on a subordinate basis, the obligations of the Borrower, STRS or any other obligated party owing to any Credit Provider under a Credit Agreement including, without limitation, all obligations of the Borrower owing to the Credit Provider of the Series B-1 Letter of Credit under the applicable Reimbursement Agreement and all obligations of STRS owing to the Credit Provider of the Series B-2 & B-3 Letter of Credit under the applicable Reimbursement Agreement, does hereby pledge and assign unto the Trustee, and unto its successors and assigns forever and does hereby grant to it and them all of its right, title and interest in, to and under (but excluding any Unassigned Rights of the Issuer and such other rights expressly reserved to the Issuer in the following granting clauses):

GRANTING CLAUSE FIRST

The Mortgage Loan and the Mortgage Loan Documents (each as hereinafter defined), including all extensions and renewals of the terms thereof, if any, except the Issuer's rights

retained under any of said documents (including but not limited to fees, indemnifications, reimbursements, notice, and provisions regarding transfer of the Project), including but without limiting the generality of the foregoing, the present and continuing right to receive, collect or make claim for any of the Revenues (as hereinafter defined), whether payable under the above referenced documents, or otherwise, to bring actions and proceedings thereunder for the enforcement thereof, and to do any and all things that the Issuer or any other person on behalf of the Issuer is or may become entitled to do under the Mortgage Loan and the above-referenced documents; provided, that notwithstanding this Granting Clause, the Deed of Trust is granted solely to the Trustee, and not to the Credit Providers or STRS;

GRANTING CLAUSE SECOND

All Revenues that may from time to time hereafter be conveyed, assigned, hypothecated, endorsed, pledged, mortgaged, granted or delivered to the Trustee, or held by the Trustee in any Fund or Account (as hereinafter defined) established pursuant to the terms of this Indenture, together with investment earnings thereon, but excluding (a) money held by the Trustee in the Cost of Issuance Fund, the Principal Reserve Fund and the Rebate Fund (each as hereinafter defined) and (b) money collected pursuant to reimbursement or indemnification of the Issuer or the Trustee; and provided further, however, that amounts attributable to a particular Credit Facility are hereby pledged, assigned and granted unto the Trustee only with respect to the one or more Subseries of Bonds for which such Credit Facility was delivered;

GRANTING CLAUSE THIRD

Any and all other property of any name and nature from time to time hereafter by delivery or by writing of any kind pledged or assigned as and for additional security hereunder, by the Issuer or by anyone on its behalf or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in said trusts and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future Owners of the Bonds, from time to time issued under and secured by this Indenture, without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds except as described herein;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Bonds and the interest and premium, if any, due or to become due thereon, at the times and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, and shall cause the payments to be made into the Debt Service Fund as required hereunder or shall provide, as permitted by Article XII hereof, for the payment thereof, and shall have remitted to the Credit Providers all amounts, rights and interests in the Trust Estate as shall be owed to them, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then this

Indenture and the rights hereby granted shall cease, terminate and be void, otherwise this Indenture is to be and remain in full force and effect.

Subject to the provisions of this Indenture, the Trustee hereby acknowledges, approves, accepts and agrees to the terms, conditions, appointments and agencies of the Loan Agreement, the Deed of Trust, the Bond Intercreditor Agreement and the Regulatory Agreement as they relate to it and its participation in the transactions contemplated thereby.

THIS INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and the Revenues hereby assigned and pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Registered Owners from time to time of the Bonds, as follows:

ARTICLE I
DEFINITIONS; INTERPRETATION;
INDENTURE TO CONSTITUTE CONTRACT

Section 101. Definitions.

(a) For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) This "Indenture" means this instrument as originally executed and as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

(2) All references in this Indenture to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Indenture. The words "herein," "hereof," "hereto," "hereby" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(3) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular.

(4) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in effect from time to time.

(5) Every "request," "order," "demand," "application," "appointment," "notice," "statement," "certificate," "consent," or similar action hereunder by the Issuer must, unless the form thereof is specifically provided, be in writing signed by a duly authorized officer or agent of the Issuer.

(6) A reference to any gender is deemed to include another gender, if appropriate.

(b) For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

“Account” means any one or more of the separate special trust accounts created by Article III, and includes any subaccount or subaccounts included in such account.

“Act” means, collectively, the Charter of the City and County of San Francisco, Article I of Chapter 43 of the Administrative Code of the City and County of San Francisco Municipal Code and Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, each as amended.

“Act of Bankruptcy of Credit Provider” means written notice to the Trustee that the Credit Provider has been closed by reason of its inability to pay its depositors or has become insolvent or has failed to pay its debts generally as such debts become due or has admitted in writing its inability to pay any of its indebtedness or has consented to or has petitioned or applied to any authority for the appointment of a receiver, liquidator, trustee or similar official for itself or for all or any substantial part of its properties or assets or that any such trustee, receiver, liquidator or similar official has been appointed or that insolvency, reorganization or liquidation proceedings (or similar proceedings) have been instituted by or against the Credit Provider; provided, that no Act of Bankruptcy of Credit Provider shall have occurred in the event and so long as the obligations of such Credit Provider under the applicable Credit Facility have been and continue to be assumed by another institution appointed by a regulatory agency having appropriate jurisdiction.

“Administrative Agent” means the financial institution or other Person appointed as Administrative Agent pursuant to Section 316 hereof.

“Alternate Credit Facility” means a credit facility other than a Letter of Credit, including a policy of bond insurance, guaranty, surety bond, standby bond purchase agreement or other agreement, or any combination thereof that provides security for the payment of the principal of and interest on the Bonds when the same become due and the Purchase Price of tendered Bonds while at a Variable Rate, a Flexible Rate or a Term Rate, as applicable.

“Alternate Rate” means the Fixed Rate, Term Rate, Flexible Rate, Weekly Rate, Daily Rate or Index Rate other than the interest rate on the Bonds then in effect.

“Approved Transferee” means (1) a “qualified institutional buyer” (“QIB”) as defined in Rule 144A promulgated under the Securities Act of 1933, as in effect on the date hereof (the “Securities Act”) that is a financial institution or commercial bank having capital and surplus of \$5,000,000,000 or more, (2) an affiliate of an entity described in clause (1), or (3) a trust or custodial arrangement established an entity described in clause (1) or (2), the beneficial interests in which will be owned only by QIBs.

“Authorized Denomination” means (i) with respect to the Bonds prior to the Fixed Rate Conversion Date, \$100,000 or any integral multiple of \$5,000 in excess of \$100,000 within a single maturity, and (ii) with respect to the Bonds after the Fixed Rate Conversion Date, \$5,000 or any integral multiple thereof within a single maturity; provided, that if Section 212(b) of this Indenture applies to the Bond, the Authorized Denomination shall comply with said section.

“Bank” means either (i) Bank of America, N.A., as issuer of the Letters of Credit, and its successors, (ii) upon the issuance of Substitute Letters of Credit, the issuer of such Substitute Letters of Credit, or (iii) the Administrative Agent.

“Bank Bonds” means (i) Bonds owned by a Credit Provider as a result of an unreimbursed liquidity draw on the applicable Credit Facility or (ii) Pledged Bonds.

“Beneficial Owner” means the beneficial owner of all or a portion of the Bonds while the Bonds are in fully immobilized form.

“Bond Closing” means the date upon which there is an exchange of the Bonds for the proceeds representing the purchase of the Bonds by the initial purchasers thereof.

“Bond Counsel” means Jones Hall, A Professional Law Corporation, or an attorney at law or a firm of attorneys of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions, who is or are selected by the Issuer and is or are duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

“Bond Intercreditor Agreement” means, initially, that certain Intercreditor Agreement, dated as of July 1, 2017, by and among the Trustee, the Issuer and Bank of America, N.A., as Administrative Agent, or any replacement intercreditor agreement delivered in accordance with this Indenture.

“Bond Purchase Agreement” means the Bond Purchase Agreement, relating to the Bonds and dated _____, 2017, by and among Citigroup Global Markets Inc., the Issuer and the Borrower.

“Bond Register” means the registration books required to be maintained pursuant to Section 203.

“Bond Registrar” means the party so appointed pursuant to Section 203.

“Bond Year” means, with respect to an issue of Bonds, each one-year period that ends at the close of business on the day in the calendar year that is selected by Borrower. The first and last Bond Years may be short periods. If no day is selected by Borrower before the earlier of the final maturity of an issue of Bonds or the date that is five years after the date of delivery of such issue of Bonds, each Bond Year ends on each anniversary of the closing date for such issue of Bonds and on the final maturity of such issue of Bonds.

“Bondowner” means the Registered Owner of any Bond.

“Bonds” means the Issuer’s Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B, authorized to be issued under this Indenture in the aggregate principal amount of \$[_____], initially consisting of three subseries designated as (i) 2017 Series B-1 in the principal amount of \$[_____], (ii) 2017 Series B-2 in the principal amount of \$[_____], and (iii) 2017 Series B-3 (Taxable) in the principal amount of \$[_____].

“Borrower” means Related/Mariposa Development Co., L.P., a [_____] limited partnership, and its successors and assigns.

"Business Day" means any day other than a Saturday, a Sunday, a legal holiday, a day on which banking institutions in New York, New York or any city in which the principal office of the Trustee is located are authorized by law or executive order to remain closed, or a day on which the office of a Credit Provider in which the applicable Credit Facility is issued is authorized or permitted to close, or a day on which The Depository Trust Company is closed for business.

"Code" means the Internal Revenue Code of 1986, as amended, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department or Internal Revenue Service, to the extent applicable to the Bonds. All references herein to sections, paragraphs or other subdivisions of the Code or the regulations promulgated thereunder shall be deemed to be references to correlative provisions of any predecessor or successor code or regulations promulgated thereunder.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement, dated as of the date of this Indenture, by and between the Borrower and the Trustee, in its capacity as dissemination agent.

"Control" shall mean, with respect to any Person, either (i) ownership directly or through other entities of more than 50% of all beneficial equity interest in such Person, or (ii) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting securities, by contract or otherwise.

"Conversion" means establishment of the interest rate on the Bonds at a Daily Rate, Weekly Rate, Flexible Rate, Term Rate or the Fixed Rate pursuant to Section 202.

"Conversion Date" means the effective date of the change in the interest rate borne by the Bonds to a Daily Rate, Weekly Rate, Flexible Rate, Term Rate or the Fixed Rate, as established pursuant to Section 202.

"Cost of Issuance Fund" means such Fund created by Section 302.

"Counsel" means an attorney at law or a firm of attorneys (who may be an employee of or counsel to the Issuer or the Borrower or the Trustee) duly admitted to the practice of law before the highest court of any state of the United States of America or of the District of Columbia.

"Coverage Amount" means the principal amount of Outstanding Bonds (excluding Bank Bonds) plus: (i) for Bonds bearing interest at Daily Rates or Weekly Rates, [39] days of interest (computed on the basis of a [365-day] year) at the Maximum Interest Rate on the Outstanding Bonds (excluding Bank Bonds); or (ii) for Bonds bearing interest at Flexible Rates, Term Rates or Fixed Rates, such amount of interest as may be necessary to satisfy the requirements of Section 212 hereof.

"Credit Agreements" means the Credit Facilities and the agreements pursuant to which the Credit Facilities are issued, including the Reimbursement Agreements.

“Credit Facilities” means the Letters of Credit, any Substitute Letters of Credit or any other Alternate Credit Facilities.

“Credit Provider” means the provider or providers of a Credit Facility then in effect, including the Bank, and the Administrative Agent appointed thereby.

“Credit Provider Deed of Trust” means the [Subordinate Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing] executed by the Borrower, as grantor, co-equally for the benefit of the Credit Providers of each Letter of Credit.

“Daily Rate” means the interest rate on the Bonds as determined by the Remarketing Agent pursuant to Section 202(e)(i), which will be borne by the Bonds upon a Daily Rate Conversion Date and will be in effect until a Weekly Rate Conversion Date, Flexible Rate Conversion Date, Term Rate Conversion Date, Index Rate Conversion Date or Fixed Rate Conversion Date.

“Daily Rate Bond” means any Bond during a period in which such Bond bears interest at a Daily Rate.

“Daily Rate Conversion Date” means the effective date of a change in the interest rate borne by the Bonds of a Subseries from a Term Rate, Flexible Rate, Weekly Rate or Index Rate to a Daily Rate.

“Daily Rate Determination Date” means the date for setting the Daily Rate in accordance with Section 202(e)(i).

“Daily Rate Period” means any period during which the Bonds of a Subseries bear interest at a Daily Rate.

“Debt Service” means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation.

“Debt Service Account” means an Account created within the Debt Service Fund pursuant to Section 302 for the payment of the principal of or interest on a particular Subseries of Bonds.

“Debt Service Fund” means such Fund created by Section 302.

“Deed of Trust” means the Construction Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, executed by the Borrower, as grantor, for the benefit of the Trustee.

“Default” or “Event of Default” means an occurrence or event specified in and defined by Section 801.

“Demand Date” means the Business Day on which any Bond is required to be purchased pursuant to optional or mandatory tender provisions hereof.

“Determination Date” means the Daily Rate Determination Date, Weekly Rate Determination Date, Flexible Rate Determination Date, Term Rate Determination Date or the Fixed Rate Determination Date, as appropriate.

"Determination of Taxability" means written notice to the Trustee and the Remarketing Agent of (i) failure to make any amendment to the Indenture, the Loan Agreement, Regulatory Agreement or the Tax Certificate or to take any other action that, in the written opinion of Bond Counsel, is necessary to preserve the exclusion for purpose of federal income taxation from gross income of interest on any Tax-Exempt Bond, (ii) a final judgment or order of a court of competent jurisdiction, or a final ruling or decision of the Internal Revenue Service, in either case to the effect that the interest on any Tax-Exempt Bond is includable for federal income tax purposes in the gross incomes of the recipients thereof or (iii) the enactment of Federal legislation that, in the written opinion of Bond Counsel, would cause the interest on the Tax-Exempt Bonds to be includable for federal income tax purposes in the gross incomes of the recipients thereof. A judgment or order of a court of competent jurisdiction or a ruling or decision of the Internal Revenue Service shall be considered final only if no appeal or action for judicial review has been filed (and is pending) and the time for filing such appeal or action has expired.

"Determination of Unenforceability" means written notice to the Trustee of a final judgment or order of a court of original or appellate jurisdiction to the effect that a Credit Facility is unenforceable or any payment thereunder is to be withheld, enjoined, restricted, restrained or prohibited other than by reason of any action taken by the Borrower.

"DTC" means The Depository Trust Company, New York, New York.

"Electronic Notice" means delivery of notice in Word format or a Portable Document Format (PDF) by electronic mail to the electronic mail addresses listed in Section 1304 hereof; provided, that if a sender receives notice that the electronic mail is undeliverable, notice must be sent as otherwise required by Section 1304 hereof.

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

"Fixed Rate" means the interest rate per annum borne by the Bonds from and after the Fixed Rate Conversion Date, determined by the Remarketing Agent in accordance with Section 202(g).

"Fixed Rate Bond" means any Bond during a period in which such Bond bears interest at a Fixed Rate.

“Fixed Rate Conversion Date” means the effective date of a change in the interest rate borne by the Bonds of a Subseries to the Fixed Rate from a Daily Rate, a Weekly Rate, a Flexible Rate, a Term Rate or an Index Rate.

“Fixed Rate Determination Date” means the date selected by the Remarketing Agent for setting the Fixed Rate on the Bonds of a Subseries, which shall be a day no later than the Business Day preceding the Fixed Rate Conversion Date.

“Fixed Rate Period” means the period beginning on the Fixed Rate Conversion Date and ending on the maturity date of the Bonds of a Subseries.

“Flexible Rate” means the interest rate per annum borne by the Bonds of a Subseries from and after the Flexible Rate Conversion Date, determined by the Remarketing Agent in accordance with Section 202(e)(iv).

“Flexible Rate Bond” means any Bond during a period in which such Bond bears interest at a Flexible Rate.

“Flexible Rate Conversion Date” means the effective date of a change in the interest rate borne by the Bonds of a Subseries to a Flexible Rate from a Daily Rate, a Weekly Rate, a Term Rate, an Index Rate or another Flexible Rate.

“Flexible Rate Determination Date” means the first Business Day of each Flexible Rate Period.

“Flexible Rate Period” means the Interest Period beginning on a Flexible Rate Conversion Date and ending on the last day of such Interest Period, as selected pursuant to Section 202(e)(iv) hereof.

“Fund” means any one or more of the separate special trust funds created by Article III.

“Government Obligations” means noncallable, direct, general obligations of the United States of America (including the obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or any obligations unconditionally guaranteed as to the full and timely payment of principal and interest by the full faith and credit of the United States of America, but shall not include unit investment trusts or mutual funds invested in Government Obligations unless such trusts or funds are rated AAAM or AAAM-G by each Rating Agency. U.S. Treasury STRIPS and REFCORP STRIPS (by the Federal Reserve Bank of New York) are Government Obligations only with respect to such interest payments.

“Guaranteed Payment” means any payment under a Credit Facility to the Trustee for the redemption of Bonds pursuant to Section 602(a)(iii) or 602(a)(viii) as may be required under a Credit Agreement. [The initial Credit Agreements do not provide for any Guaranteed Payments.]

“Indenture Act” means the Trust Indenture Act of 1939 (Act of August 3, 1939, 53 Stat. 1149, 15 U.S.C., Sections 77aaa-77bbbb, as amended).

“Index Maturity” has the meaning given in Section 202(e)(vi).

"Index Rate" has the meaning given in Section 202(e)(vi), which will be borne by the Bonds upon an Index Rate Conversion Date and will be in effect until a Daily Rate Conversion Date, Weekly Rate Conversion Date, Flexible Rate Conversion Date, Term Rate Conversion Date or Fixed Rate Conversion Date.

"Index Rate Bond" means any Bond during a period in which such Bond bears interest at an Index Rate.

"Index Rate Conversion Date" means the effective date of a change in the interest rate borne by the Bonds of a Subseries to the Index Rate from a Daily Rate, a Weekly Rate, a Flexible Rate or a Term Rate.

"Index Rate Period" means the period beginning on the Index Rate Conversion Date and ending on the maturity date or earlier redemption of the Bonds of a Subseries.

"Initial Interest Rate Mode" means the mode the Bonds are originally sold in, as identified in Section 202(c).

"Interest Payment Date" means (a) for so long as a subseries of Bonds bears interest at a Daily Rate, a Weekly Rate or an Index Rate, the first Business Day of each month, provided that the first Interest Payment Date with respect to the initial Weekly Rate mode on each subseries of the Bonds shall be [_____], 2017, (b) for so long as a subseries of Bonds bears interest at a Flexible Rate, the Business Day immediately following the Interest Period to which such Flexible Rate applies, (c) for so long as a subseries of Bonds bears interest at a Term Rate, July 1 and December 1 of each year, commencing on the first such date following the commencement of the Interest Period to which such Term Rate applies, and the Business Day immediately following the Interest Period to which such Term Rate applies, (d) after the Fixed Rate Conversion Date for a subseries of Bonds, July 1 and December 1 of each year, (e) any other date upon which interest on a subseries of Bonds is due and payable, whether by maturity, acceleration, prior redemption, purchase, Conversion or otherwise, or (f) for Bank Bonds, any date for the payment of interest as provided in the applicable Reimbursement Agreement, notwithstanding the foregoing provisions of this definition.

"Interest Period" means the period of time during which interest payable on an Interest Payment Date shall accrue, in particular: (a) with respect to Daily Rate Bonds, the period from and including the latest of (i) the Bond Closing, (ii) the Daily Rate Conversion Date, or (iii) if the Bonds are already bearing interest at Daily Rates, an Interest Payment Date for such Bonds, to but not including the next succeeding Interest Payment Date for such Bonds; (b) with respect to Weekly Rate Bonds, the period from and including the latest of (i) Bond Closing, (ii) the Weekly Rate Conversion Date or (iii) if such Bonds are already bearing interest at Weekly Rates, an Interest Payment Date for such Bonds, to but not including the next succeeding Interest Payment Date for such Bonds; (c) with respect to Flexible Rate Bonds, the period of up to 270 days from and including the Flexible Rate Conversion Date to but not including the next succeeding Conversion Date (including a Conversion Date for a new Flexible Rate Period); (d) with respect to Term Rate Bonds, the period from and including the later of (i) the Term Rate Conversion Date or (ii) if such Bonds are already bearing interest at a Term Rate, an Interest Payment Date for such Bonds, to but not including the next succeeding Interest Payment Date for such Bonds; (e) with respect to Fixed Rate Bonds, the period from and including the later of (i) the Fixed Rate Conversion Date or (ii) if such Bonds are already bearing interest at Fixed Rates, an Interest Payment Date for such Bonds, to but not including the next succeeding

Interest Payment Date for such Bonds; and (f) with respect to Index Rate Bonds, the period from and including the latest of (i) the Index Rate Conversion Date, or (ii) if the Bonds are already bearing interest at an Index Rate, an Interest Payment Date for such Bonds, to but not including the next succeeding Interest Payment Date for such Bonds.

“Issuance Costs” means all costs and expenses of issuance of the Bonds, including, but not limited to:

- (a) underwriter’s discount or fee;
 - (b) counsel fees and expenses, including bond counsel, underwriter’s counsel, Issuer’s counsel, Borrower’s counsel and Bank counsel, as well as any other specialized counsel fees incurred in connection with the issuance of the Bonds;
 - (c) financial advisor fees and expenses incurred in connection with the issuance of the Bonds;
 - (d) initial fees and expenses of the Trustee, including Trustee counsel fees and expenses, in connection with the issuance of the Bonds;
 - (e) costs of printing the official statement;
 - (f) publication or copying costs associated with the financing proceedings;
- and
- (g) initial fees and expenses, if any, of the Issuer and each Rating Agency.

“Issuer” means the City and County of San Francisco, a California municipal corporation and charter city and county, the issuer of the Bonds hereunder, and its successors and assigns.

“Issuer Fee” means (a) an initial fee equal to 25 basis points (0.25%) of the maximum principal amount of the Bonds, payable on the Bond Closing, plus (b) an annual monitoring fee equal to the greater of (i) 12.5 basis points (0.125%) per annum of the Outstanding principal amount of the Bonds or (ii) \$2,500, payable annually in advance on such anniversary, commencing on the Bond Closing date.

“Letters of Credit” means, collectively, (i) the Series B-1 Letter of Credit and (ii) the Series B-2 & B-3 Letter of Credit.

“LIBOR” has the meaning given in Section 202(e)(vi).

“LIBOR Determination Date” has the meaning given in Section 202(e)(vi).

“Letter of Representations” means the Blanket Issuer Letter of Representations signed by the Issuer and accepted by DTC with respect to the initial immobilization of the Bonds.

“Loan Agreement” means the Loan Agreement, dated as of July 1, 2017, among the Issuer, the Trustee and the Borrower.

“Maximum Interest Rate” for Bonds other than Bank Bonds means ten percent (10%) per year during a period in which interest on the Bonds is at a Variable Rate (computed on the basis

of a 365- or 366-day year, actual number of days elapsed); provided, that the Issuer shall designate a higher rate (which is no higher than the rate used to establish the interest portion of the applicable Credit Facility) than heretofore specified as the Maximum Interest Rate if the Trustee receives: (i) written evidence that the amount of the applicable Credit Facility has been increased to the Coverage Amount, and (ii) an opinion of Bond Counsel addressed to the Trustee, the Issuer and the Remarketing Agent to the effect that the designation will not violate any provision of any law applicable to the Bonds or the Mortgage Loan nor cause interest on the Tax-Exempt Bonds to become includable in gross income for federal income tax purposes. The maximum interest rate for Bank Bonds will be set forth in the applicable Reimbursement Agreement for any such Bank Bonds.

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

“Mortgage Loan” means the mortgage loan made by the Issuer to the Borrower pursuant to the Loan Agreement in an amount equal to the principal amount of the Bonds to provide financing for part of the Qualified Project Costs, other costs of the Project and Issuance Costs.

“Mortgage Loan Documents” means the Loan Agreement, the Tax Certificate, the Regulatory Agreement, the Deed of Trust, the Mortgage Note, the Bond Purchase Agreement, the Remarketing Agreement and the Continuing Disclosure Agreement.

“Mortgage Loan Fund” means the fund of that name created by Section 302.

“Mortgage Note” means the note executed by the Borrower to evidence the Mortgage Loan.

“Net Proceeds” means, when used with reference to the Bonds, the face amount of the Bonds, plus accrued interest and original issue premium, if any, and less original issue discount and proceeds deposited into any reserve fund.

“Outstanding,” “Bonds Outstanding” or “Bonds outstanding,” in connection with the Bonds means, as of the time in question, all Bonds authenticated and delivered under this Indenture, except:

- (a) Bonds theretofore cancelled or required to be cancelled under Section 209;
- (b) Bonds deemed to have been paid in accordance with Article XII; and
- (c) Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to Article II or Section 1005.

In determining whether the Owners of a requisite aggregate principal amount of Outstanding Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of this Indenture, Bonds that are registered in the Bond Register in the name of the Borrower, the Issuer or any other obligor on the Bonds, or any affiliate of any one of said entities (for the purpose of this definition an “affiliate” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person provided that the Trustee shall have received written notice that such Person is an affiliate) shall be disregarded and deemed not to be outstanding hereunder for the purpose of any such determination. For purposes of this definition, “control” when used with respect to any specified Person means the power to direct

the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. Bonds (in certificated form) so owned, which have been pledged in good faith, may be regarded as Outstanding if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Borrower, the Issuer, or any other obligor on the Bonds, or any affiliate of any of the foregoing. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of Counsel shall be full protection to the Trustee.

"Owner" means the Registered Owner of any Bond.

"Permitted Investments" mean any of the following for the moneys held hereunder then proposed to be invested therein, but only to the extent that such investments are acquired at Fair Market Value:

(i) time or demand deposits in any United States bank or trust company whose obligations are rated in one of the three highest Rating Categories by at least one Rating Agency (provided that no Rating Agency shall maintain a rating below the fourth highest Rating Category), having aggregate capital and surplus of at least \$50,000,000 (including the banking departments of the Trustee and Bank and their affiliates);

(ii) obligations, participations or other instruments of, or issued by, the Federal National Mortgage Association, or issued by a United States agency or a United States government enterprise;

(iii) repurchase agreements fully collateralized by obligations listed in (ii) or (vii) hereof, with institutions rated in one of the three highest Rating Categories of at least one Rating Agency for agreements having a term of one to three years or the two highest Rating Categories of at least one Rating Agency for agreements having a term of more than three years (provided that, in each case, no Rating Agency shall maintain a rating below the fourth highest Rating Category);

(iv) a promissory note or other evidence of indebtedness (and any investment agreement) of a bank or a bank holding company whose obligations are rated in one of the three highest Rating Categories of at least one Rating Agency (provided that no Rating Agency shall maintain a rating below the fourth highest Rating Category);

(v) bonds, notes, certificates of indebtedness or other obligations of a state, an instrumentality or a political subdivision thereof, which obligations have been granted by each Rating Agency a credit rating equal to or better than the rating on the Bonds (but not lower than the third highest Rating Category of each Rating Agency);

(vi) a promissory note or other evidence of indebtedness (and any investment agreement) of a United States branch or agency of a foreign financial institution whose obligations are rated in one of the three highest Rating Categories by at least one Rating Agency (provided that no Rating Agency shall maintain a rating below the fourth highest Rating Category);

(vii) Government Obligations;

(viii) shares of a money market mutual fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933, having assets of at least \$100,000,000, and having a rating AAAM or AAAM-G by each Rating Agency, including money market mutual funds from which the Trustee or its affiliates derive a fee for investment advisory or other services to the fund; and

(ix) any other investment with the prior written consent of the Administrative Agent.

“Person” means any natural person, firm, partnership, limited liability company, association, corporation, trust or public body.

“Pledged Bonds” means Bonds held in book-entry form, owned by the Borrower as beneficial owner, with a Credit Provider as pledgee as a result of an unreimbursed liquidity draw on the applicable Credit Facility.

“Principal Office” means when used with respect to the Trustee, a corporate trust office of the Trustee, which at the date of this Indenture is located at the address shown in Section 1304 or such other location designated in writing by the Trustee or Bond Registrar.

“Principal Reserve Fund” means the Principal Reserve Fund established by the Trustee pursuant to Section 302 hereof.

“Principal Reserve Account” means an Account created within the Principal Reserve Fund pursuant to Section 302 for a particular Subseries of Bonds.

“Principal Reserve Requirement” means 20% of the original principal amount of the Tax-Exempt Bonds or such other amount specified in writing to the Trustee (i) by the Issuer with the prior written consent of the Administrative Agent, or (ii) by the Administrative Agent; provided any such direction is accompanied by an opinion of Bond Counsel to the effect such change in amount will not adversely affect the tax exempt status of the Tax-Exempt Bonds.

“Principal Reserve Schedule” means, while a Letter of Credit is in effect, the principal reserve schedule, if any, calculated in accordance with the Reimbursement Agreement relating thereto, as the same may be amended from time to time, and while an Alternate Credit Facility is in effect, the principal reserve schedule, if any, calculated in accordance with or attached to the Credit Agreement relating thereto, as the same may be amended from time to time.

“Principal Reserve Schedule Payments” means the payments to be made by the Borrower in accordance with the Principal Reserve Schedule.

“Project” means the facilities identified in Exhibit A to the Loan Agreement, which facilities are to be financed from the proceeds of the Bonds or any payments by the Borrower that are reimbursed by proceeds of the Bonds, and any real property, structures, buildings, fixtures or equipment acquired in substitution for, as a renewal or replacement of, or a modification or improvement to, all or any part of such facilities.

“Purchase Account” means an Account created within the Debt Service Fund pursuant to Section 302 for the payment of the Purchase Price of Bonds of a particular Subseries.

“Purchase Price” means with respect to any Bonds or portion thereof required to be purchased pursuant to this Indenture, the principal amount of such Bonds plus interest accrued thereon to the Demand Date.

“Qualified Portion” means the portion of the Project determined by the Issuer to be eligible to be financed with tax-exempt bonds, as described in the Tax Certificate.

“Qualified Project Costs” means costs paid with respect to the Qualified Portion that meet each of the following requirements: (i) the costs are properly chargeable to capital account (or would be so chargeable with a proper election by the Borrower or but for a proper election by the Borrower to deduct such costs) in accordance with general Federal income tax principles and in accordance with United States Treasury Regulations §1.103-8(a)(1), provided, however, that only such portion of interest accrued during rehabilitation or construction of the Qualified Portion (in the case of rehabilitation, with respect to vacated units only) shall be eligible to be a Qualified Project Cost as bears the same ratio to all such interest as the Qualified Project Costs bear to all costs of the Qualified Portion; and provided further that interest accruing after the date of completion of the Qualified Portion shall not be a Qualified Project Cost; and provided still further that if any portion of the Qualified Portion is being constructed or rehabilitated by an Affiliate or persons or entities treated as related to the Borrower within the meaning of Sections 1504, 267 and 707 of the Code (whether as a general contractor or a subcontractor), Qualified Project Costs shall include only (A) the actual out-of-pocket costs incurred by such Affiliate in constructing or rehabilitating the Qualified Portion (or any portion thereof), (B) any reasonable fees for supervisory services actually rendered by the Affiliate, and (C) any overhead expenses incurred by the Affiliate which are directly attributable to the work performed on the Qualified Portion, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the rehabilitation or construction of the Qualified Portion or payments received by such Affiliate due to early completion of the Qualified Portion (or any portion thereof); (ii) the costs are paid with respect to a qualified residential rental project or projects within the meaning of Section 142(d) of the Code, (iii) the costs are paid after the earlier of 60 days prior to the date of a declaration of “official intent” to reimburse costs paid with respect to the Qualified Portion (within the meaning of §1.150-2 of the United States Treasury Regulations) or the date of issue of the Tax-Exempt Bonds, and (iv) if the costs of the Qualified Portion were previously paid and are to be reimbursed with proceeds of the Tax-Exempt Bonds such costs were (A) costs of issuance of the Tax-Exempt Bonds, (B) preliminary capital expenditures (within the meaning of United States Treasury Regulations §1.150-2(f)(2)) with respect to the Qualified Portion (such as architectural, engineering and soil testing services) incurred before commencement of acquisition or construction of the Qualified Portion that do not exceed twenty percent (20%) of the issue price of the Tax-Exempt Bonds (as defined in United States Treasury Regulations §1.148-1), or (C) were capital expenditures with respect to the Qualified Portion that are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the Qualified Portion is placed in service (but no later than three (3) years after the expenditure is paid).

“Rating Agencies” means, initially, Moody’s and S&P, and thereafter, any nationally recognized rating agencies then maintaining a rating on the Bonds, and, if any such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Rating Agencies shall be deemed to refer to any other nationally recognized securities rating agency or agencies designated by an Authorized Representative of the Borrower.

“Rating Agency Surveillance Fee” means the annual fee, if any, of the applicable Rating Agency to maintain a rating on the Bonds.

“Rating Category” or “rating category” means, for the long-term ratings of Fitch Ratings (“Fitch”), Moody’s, S&P and their successors, the alphabetical ratings assigned thereby, without regard to numeric or plus or minus modifiers, and for the short-term ratings of such rating agencies, the alpha-numeric ratings assigned thereby, without regard to plus or minus modifiers. Accordingly, as of the date hereof, the highest long-term Rating Category for Fitch and S&P is AAA, and the highest long-term Rating Category for Moody’s is Aaa; the second highest long-term Rating Category for Fitch and S&P includes AA+, AA and AA-, and the second highest long-term Rating Category for Moody’s includes Aa1, Aa2 and Aa3; the third highest long-term Rating Category for Fitch and S&P includes A+, A and A-, and the third highest long-term Rating Category for Moody’s includes A1, A2 and A3; the fourth highest long-term Rating Category for Fitch and S&P includes BBB+, BBB and BBB-, and the fourth highest long-term Rating Category for Moody’s includes Baa1, Baa2 and Baa3.

“Rebate Amount” means the amount, if any, determined to be payable with respect to the Bonds by the Issuer to the United States of America pursuant to Section 148 of the Code, calculated in accordance with the Tax Certificate.

“Rebate Analyst” means the individual or firm retained by the Issuer to compute the Rebate Amount.

“Rebate Fund” means the Fund of that name established pursuant to Section 302.

“Record Date” means, except for payment of defaulted interest, (a) with respect to Bonds bearing interest at a Daily Rate, Weekly Rate, Flexible Rate or Index Rate, if the Bonds are in noncertificated form, the close of business on the Business Day immediately preceding an Interest Payment Date and, if the Bonds are in certificated form, the fifth Business Day immediately preceding an Interest Payment Date, (b) any Conversion Date and (c) with respect to Bonds bearing Interest at a Term Rate or a Fixed Rate, the fifteenth calendar day of the month preceding an Interest Payment Date. With respect to any payment of defaulted interest, a Special Record Date shall be established by the Trustee in accordance with the provisions of Section 202.

“Reference Banks” has the meaning given in Section 202(e)(vi).

“Registered Owner,” “Owner” or “Bondowner” means the person or persons in whose name or names a Bond shall be registered on books of the Trustee kept for that purpose in accordance with the terms of this Indenture.

“Regulations” means proposed, temporary or permanent regulations promulgated under the Code.

“Regulatory Agreement” means the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of the date hereof (as supplemented and amended from time to time), with respect to the Project, executed by the Issuer, the Trustee and the Borrower, and recorded in the property records of the county in which the Project is located.

“Reimbursement Agreements” means the agreement or agreements pursuant to which the Letters of Credit are issued by the Bank, dated as of the date hereof, and any subsequent agreement pursuant to which any Substitute Letter of Credit is issued.

“Remarketing Agent” means, with respect to the Bonds or any subseries, the applicable agent or agents, and its successors and assigns appointed in accordance with Sections 401 and 402.

“Remarketing Agreement” means the Remarketing Agreement, dated as of the date hereof, between the Borrower and a Remarketing Agent, and any similar substitute or additional agreement providing for the remarketing of one or more subseries of the Bonds, in each case as supplemented or amended from time to time.

“Required Transferee Representations” means a certificate in the form set forth as Exhibit D to this Indenture, executed by a duly authorized representative of a new Beneficial Owner of a Bond by transfer or remarketing.

“Resolution” means the resolution duly adopted and approved by the Issuer, authorizing the issuance and sale of the Bonds and the execution of this Indenture.

“Revenues” means, for each Subseries of Bonds, the amounts pledged hereunder to the payment of the principal of and interest thereon, including the following: (a) proceeds of draws or payments on the Credit Facility applicable to such Subseries; (b) moneys held in the Funds and Accounts (excluding the Cost of Issuance Fund, the Principal Reserve Fund and the Rebate Fund), together with investment earnings thereon received by the Trustee that the Trustee is authorized to receive, hold and apply pursuant to the terms of this Indenture; and (c) all income, revenues, proceeds, obligations, securities and other amounts received by the Trustee and derived from or in connection with the Mortgage Loan, or the Mortgage Loan Documents, subject to the Bond Intercreditor Agreement, but excluding amounts payable as the Issuer Fee, the Rating Agency Surveillance Fee, the Trustee Fee, Rebate Amount, the fee for the calculation of the Rebate Amount or any amounts collected as indemnification or reimbursements of expenses of the Issuer or Trustee or any other amounts payable or collected in connection with Unassigned Rights. Principal Reserve Schedule Payments shall not constitute Revenues under this Indenture.

“S&P” means S&P Global Ratings, its successors and assigns.

“Sale Proceeds” means, with respect to an issue of Bonds, any amounts actually or constructively received from the sale (or other disposition) of any Bond that is part of the issue, including amounts used to pay underwriters’ discount or compensation and accrued interest other than pre-issuance accrued interest. Sale Proceeds also include amounts derived from the sale of a right that is associated with any Bond that is part of the issue and that is described in Section 1.148-4 of the Regulations.

“Seasoned Funds” means (a) remarketing proceeds received from the Remarketing Agent or any purchaser (other than funds provided by the Borrower, any general partner, member or [guarantor][Is this problematic for STRS] of the Borrower or the Issuer), (b) proceeds of draws on the applicable Letter of Credit or Alternate Credit Facility, (c) proceeds of each subseries of the Bonds received contemporaneously with the issuance and sale of the Bonds (including any Bond proceeds deposited to the Mortgage Loan Fund on the Closing Date), (d) proceeds from the investment or reinvestment of money described in clauses (a), (b) and (c)

above, or (e) proceeds of any refunding bonds or any other funds which, in the written opinion of nationally recognized bankruptcy counsel practicing regularly before Federal Bankruptcy Court, acceptable to the Rating Agency and delivered to the Trustee, are not subject to treatment as a "preference" under Section 547 of the Federal Bankruptcy Code or would be recoverable under Section 550 of the Federal Bankruptcy Code, or similar provisions under any applicable bankruptcy law in the event of a bankruptcy by or against the Issuer or the Borrower or any affiliate of the Borrower.

"Seasoned Funds Account" means the Account of that name authorized to be created within the Debt Service Fund pursuant to Section 306.

"Series B-1 Bonds" means the subseries of Bonds designated as the City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments) 2017 Series B-1.

"Series B-2 Bonds" means the subseries of Bonds designated as the City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments) 2017 Series B-2.

"Series B-3 Bonds" means the subseries of Bonds designated as the City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments) 2017 Series B-3 (Taxable).

"Series B-1 Letter of Credit" means that certain irrevocable, direct pay Letter of Credit No. [____], issued by the Bank of America, N.A. on the original delivery date of the Series B-1 Bonds, supporting the Series B-1 Bonds, including any extensions or amendments thereof, or any Substitute Letter of Credit meeting the requirements of Section 310 and 313, respectively, delivered in substitution therefor.

"Series B-2 & B-3 Letter of Credit" means that certain irrevocable, direct pay Letter of Credit No. [____], issued by the Bank of America, N.A. on the original delivery date of the Series B-2 Bonds and the Series B-3 Bonds, supporting such Bonds, including any extensions or amendments thereof, or any Substitute Letter of Credit meeting the requirements of Section 310 and 313, respectively, delivered in substitution therefor.

"SIFMA Swap Index" means, on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market data and published or made available by the Securities Industry & Financial Markets Association (formerly the Bond Market Association) ("SIFMA") or any Person acting in cooperation with or under the sponsorship of SIFMA and acceptable to the Trustee and effective from such date.

"Special Purchase Bonds" has the meaning given in Section 608(a).

"Special Purchase Date" has the meaning given in Section 608(a).

"Special Record Date" means, with respect to the payment of any defaulted interest on the Bonds, a date fixed by the Trustee pursuant to Section 202.

"State" means the State of California.

“STRS” means the State Teachers Retirement System of Ohio.

“Subseries” or “subseries” means each of the following separately designated groupings of the Bonds: (i) \$[_____] City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments) 2017 Series B-1; (ii) \$[_____] City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments) 2017 Series B-2; and (iii) \$[_____] City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments) 2017 Series B-3 (Taxable); or any of them, and in each case as the same may be renamed upon a Conversion to a Fixed Rate.

“Substitute Bank” means the issuer of a Substitute Letter of Credit.

“Substitute Letter of Credit” means an irrevocable transferable direct pay letter of credit other than (a) an initial Letter of Credit issued and delivered to the Trustee in accordance with Section 310 and (b) an extension of the expiration date thereof.

“Substitution Date” means the date of substitution of a Credit Facility (including a Letter of Credit) with an Alternate Credit Facility or a Substitute Letter of Credit.

“Supplemental Indenture” means any agreement hereafter authorized and entered into between the Issuer and the Trustee that amends, modifies or supplements and forms a part of this Indenture.

“Tax Certificate” means, collectively the Certificate as to Arbitrage, and the exhibits thereto, dated the date of the Bond Closing, executed by the Issuer and the Borrower, and the Certificate Regarding Use of Proceeds, dated the date of the Bond Closing, executed by the Borrower, relating to the Tax-Exempt Bonds.

“Taxable Bonds” means Bonds the interest on which is not intended to be excluded from gross income for federal income tax purposes, initially consisting of the Series B-3 Bonds.

“Tax-Exempt Bonds” means Bonds the interest on which is intended to be excluded from gross income for federal income tax purposes, initially consisting of the Series B-1 Bonds and the Series B-2 Bonds.

“Tender Notice” means a notice of demand for purchase of Bonds given by any Bondowner pursuant to Section 202(h) hereof.

“Term Rate” means the interest rate per annum borne by the Bonds of a Subseries from and after the Term Rate Conversion Date, determined by the Remarketing Agent in accordance with Section 202(e)(v).

“Term Rate Bond” means any Bond during a period in which such Bond bears interest at a Term Rate.

“Term Rate Conversion Date” means the effective date of a change in the interest rate borne by the Bonds of a Subseries to a Term Rate from a Daily Rate, a Weekly Rate, a Flexible Rate, an Index Rate or another Term Rate.

“Term Rate Determination Date” means the first Business Day of each Term Rate Period.

“Term Rate Period” means the Interest Period beginning on a Term Rate Conversion Date and ending on the last day of such Interest Period, as selected pursuant to Section 202(e)(v) hereof.

“Trust Estate” means the property conveyed to the Trustee pursuant to the Granting Clauses of this Indenture and, with respect to a Subseries of Bonds, the proceeds of drawings under the applicable Credit Facility.

“Trustee” means U.S. Bank National Association, or any successor trustee or co-trustee appointed in accordance with the terms of this Indenture.

“Trustee Fee” means (a) an annual payment of \$[] (which includes \$[] for the Trustee’s annual fee as dissemination fee under the Continuing Disclosure Agreement), payable on each July 1 in advance (with the first payment accrued through June 30, 2018, to be made on Bond Closing), (b) plus charges, advances, indemnities, costs and expenses (including reasonable attorneys’ or agents’ fees) incurred for services not covered by its annual administration fee performed by the Trustee under this Indenture, the Loan Documents and the Remarketing Agreement.

“Unassigned Rights” shall mean the City’s rights to reimbursement and payment of its fees, costs and expenses, its rights to enforce the Regulatory Agreement, its rights to collect or require payment of amounts due and owing to the federal government as rebate under Sections 5.1 and 6.4 of the Loan Agreement, its rights of access under Section 6.6 thereof, its rights to indemnification under Section 6.8 thereof, its rights to attorneys’ fees under Sections 5.1, 6.8 and 7.4 thereof, its rights to receive notices, reports and other statements and its rights to consent to certain matters, as provided in this Indenture and the Loan Agreement, and the City’s rights, including but not limited to, rights to indemnification, reimbursement and payment of its fees, costs and expenses under the Regulatory Agreement.

“Underwriter” means Citigroup Global Markets Inc.

“Variable Rate” means the Daily Rate or the Weekly Rate borne by the Bonds until Conversion to a Flexible Rate, a Term Rate, an Index Rate or the Fixed Rate, determined in accordance with Section 202(e).

“Variable Rate Determination Date” means either the Daily Rate Determination Date or the Weekly Rate Determination Date.

“Variable Rate Mode,” when used in connection with Bonds, means that such Bonds are bearing interest at either Daily Rates or Weekly Rates, as the case may be.

“Weekly Rate” means the interest rate on the Bonds of a Subseries from the issuance of such Bonds or a Weekly Rate Conversion Date until a Daily Rate Conversion Date, a Flexible Rate Conversion Date, a Term Rate Conversion Date or a Fixed Rate Conversion Date as determined by the Remarketing Agent pursuant to Section 202(e)(ii), or until such Bonds bear interest at an Index Rate.

“Weekly Rate Bond” means any Bond during a period in which such Bond bears interest at a Weekly Rate.

“Weekly Rate Conversion Date” means the effective date of a change in the interest rate borne by the Bonds of a Subseries to a Weekly Rate from a Daily Rate, Flexible Rate, Term Rate or Index Rate.

“Weekly Rate Determination Date” means the date for setting a Weekly Rate in accordance with Section 202(e)(ii), which will be the [day before the Bond Closing or a] Weekly Rate Conversion Date, and thereafter each Tuesday, except that if such Tuesday is not a Business Day, then the next succeeding Business Day.

“Weekly Rate Period” means (except as otherwise provided in Section 202) a period from and including the [Bond Closing or a Weekly Rate Conversion Date through and including the next Tuesday, and thereafter a period from and including each Wednesday through and including the next Tuesday during which the Weekly Rate determined on the Weekly Rate Determination Date will be in effect.

“Wrongful Dishonor” means that, with respect to a Credit Facility, (i) the Credit Provider has failed to honor a properly presented and conforming draw on such Credit Facility and such failure has resulted in an Event of Default under the Indenture, or (ii) the Credit Facility has been rescinded, repudiated or terminated, whether by action of the Credit Provider, operation of law or otherwise.

Such terms as are not defined herein have the meanings assigned to them in the Mortgage Loan Documents.

ARTICLE II THE BONDS

Section 201. Authorized Amount of Bonds. No Bonds may be issued under the provisions of this Indenture, except in accordance with this Article. The total principal amount of Bonds that may be issued is hereby expressly limited to \$[_____] except as provided in Section 202, and is further expressly limited by subseries as follows:

- (a) Series B-1 Bonds: \$[_____];
- (b) Series B-2 Bonds: \$[_____]; and
- (c) Series B-3 Bonds (Taxable): \$[_____].

Section 202. Issuance of the Bonds.

(a) Description of Bonds. The Issuer may issue the Bonds following the execution of this Indenture, and the Trustee shall, at the Issuer's request, authenticate such Bonds and deliver them as specified in that request. No Bonds may be issued under this Indenture in addition to those authorized by Section 201, except Bonds issued on transfer or exchange as provided in Sections 203 or 208, or Bonds issued in replacement of lost, stolen, mutilated or destroyed Bonds pursuant to Section 207 or Bonds issued pursuant to Section 603 or Section 1005.

Until the Fixed Rate Conversion Date, the Bonds shall be designated "City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B," in the aggregate principal amount of \$[_____], with such further subseries designations as may be selected by the City.

Following the Fixed Rate Conversion Date, the Bonds shall be designated "City and County of San Francisco Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B," with such further subseries designations as may be selected by the City. Unless the Issuer otherwise directs, the Bonds shall be numbered as determined by the Trustee.

The forms of the Bonds, the Trustee's certificate of authentication to be endorsed thereon and the form of assignment to be endorsed thereon are to be in substantially the forms set forth in Exhibit A, and hereby made a part hereof, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture or by a Supplemental Indenture. The Bonds may be printed, engraved, or typewritten.

The Bonds shall be issued in Authorized Denominations. The Bonds will mature on July 1, 20[___]. The Bonds shall be dated the date of their initial issuance and delivery, and bear interest payable on each Interest Payment Date at the rate per annum determined from time to time as hereinafter in this Section provided. Each Bond shall bear interest from the date to which interest has been paid next preceding the date of its registration, unless (i) a Bond is registered as of an Interest Payment Date for which interest has been paid or after the Record Date with respect to an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) a Bond is registered on or before the Record Date for the first Interest Payment Date, in which event it shall bear interest from the date of the first authentication and delivery of the Bonds.

(b) Payment of Bonds. The principal of, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America. Except as provided below, the principal of and premium, if any, on each Bond will be payable upon the presentation and surrender of such Bond by its Registered Owner or duly authorized representative, when due, at the Principal Office of the Trustee. Payment of interest on each Bond shall be made to the Registered Owner thereof as specified on the records of the Trustee on the Record Date with respect to such interest payment irrespective of the cancellation of such Bond upon any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date, unless the Issuer shall default in the payment of interest due on such Interest Payment Date. Each interest payment on each Bond shall be paid as provided in the Letter of Representations for so long as the Bonds are held by DTC in uncertificated form and thereafter by wire transfer to an account in the United States designated by such Registered Owner in writing at least 15 days prior to the Interest Payment Date and upon acknowledgment by such Registered Owner of the deduction from such wire of the applicable wire transfer fee, if any such fee is then applicable; provided, that payment of such interest shall be made by Automatic Clearinghouse Transfers at no cost to the Owner in next day funds if such Owner shall have requested in writing payment by such method and shall have provided the Trustee with an account number in a bank within the United States and other necessary information for such purposes at least fifteen (15) days before the applicable Interest Payment Date. In the event of any default in the payment of interest, such defaulted interest shall be payable to the Registered Owner of such Bond on a Special Record Date for the payment of such defaulted interest established by notice mailed by or on behalf of the Issuer to Registered Owners.

During each Interest Period for each interest rate mode, the interest rate for the Bonds shall be determined in accordance with Section 202(e) and (g) and shall be payable on the Interest Payment Date for such Interest Period.

During any Daily Rate Period, the Bonds shall bear interest at the Daily Rate determined as provided in Section 202(e)(i). During any Weekly Rate Period, the Bonds shall bear interest at the Weekly Rate determined as provided in Section 202(e)(ii). Interest on Daily Rate Bonds or Weekly Rate Bonds shall be computed on the basis of a 365- or 366-day year for the actual number of days elapsed. Bonds must be in book-entry form in order to bear interest at Daily Rates.

During any Flexible Rate Period, the Bonds shall bear interest at Flexible Rates determined as provided in Section 202(e)(iv). Interest on Flexible Rate Bonds shall be computed on the basis of a 365- or 366-day year for the actual number of days elapsed. Bonds must be in book-entry form in order to bear interest at Flexible Rates.

During any Term Rate Period, the Bonds shall bear interest at Term Rates determined as provided in Section 202(e)(v). Interest on Term Rate Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

During any Fixed Rate Period, the Bonds shall bear interest at a Fixed Rate determined as provided in Section 202(g). Interest on the Fixed Rate Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

During any Index Rate Period, the Index Rate Bonds shall bear interest at a floating rate equal to the Index Rate. Interest on the Index Rate Bonds shall be computed on the basis of a 360-day year for the actual number of days elapsed.

(c) Initial Interest Rate Mode. The initial interest rate determination method in effect with respect to the Bonds shall be the Weekly Rate.

(d) Book-Entry Only. Notwithstanding anything herein to the contrary, the Bonds initially shall be held in fully immobilized form by DTC acting as depository pursuant to the terms and conditions set forth in the Letter of Representations. Neither the Issuer nor the Trustee shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Bonds regarding accuracy of any records maintained by DTC or DTC participants, the payments by DTC or DTC participants of any amount in respect of principal, redemption price, Purchase Price or interest on the Bonds, any notice which is permitted or required to be given to or by Registered Owners hereunder (except such notice as is required to be given by the Issuer to the Trustee or to DTC), or any consent given or other action taken by DTC as Bondowner.

The Bonds initially shall be issued in denominations equal to the aggregate principal amount of each maturity of each subseries and initially shall be registered in the name of Cede & Co. as the nominee of DTC. The Bonds so registered shall be held in fully immobilized form by DTC as depository. For so long as any Bonds are held in fully immobilized form, DTC, its successor or any substitute depository appointed by the Issuer, as applicable, shall be deemed to be the registered owner for all purposes hereunder and all references to registered owners, bondowners, owners or the like shall mean DTC or its nominees and shall not mean the owners of any beneficial interests in the Bonds. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

1. To any successor of DTC or its nominee, if that successor shall be qualified under any applicable laws to provide the services proposed to be provided by it;
2. To any substitute depository appointed by the Issuer pursuant to this subsection or such substitute depository's successor; or
3. To any Person as herein provided if the Bonds are no longer held in immobilized form.

Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or a determination by the Issuer to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Issuer may appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

In the case of any transfer pursuant to clause 1 or 2 of the second preceding paragraph, the Trustee, upon receipt of all outstanding Bonds together with a written request on behalf of the Issuer, shall issue a single new Bond for each maturity of each subseries of Bonds then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Issuer.

In the event that DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or the Issuer determines that the beneficial owners of the Bonds should obtain Bond certificates, the ownership of Bonds may be transferred to any Person as herein provided, and the Bonds shall no longer be held in fully immobilized form. The Issuer shall deliver a written request to the Trustee, together with a supply of definitive Bonds, to issue Bonds as herein provided in any Authorized Denomination. Upon receipt of all then Outstanding Bonds by the Trustee, together with a written request on behalf of the Issuer to the Trustee, new Bonds of each subseries shall be issued in such denominations and registered in the names of such Persons as are requested in such a written request.

For so long as Outstanding Bonds are registered in the name of Cede & Co., or its registered assigns, as nominee of DTC, payments of principal of and interest on the Bonds shall be made at the place and in the manner provided in the Letter of Representation.

Notwithstanding any provision herein to the contrary, so long as the Bonds are subject to a system of book-entry-only transfers pursuant to this Section 2.02(d), any requirement for the delivery of Bonds to the Trustee in connection with a mandatory tender or an optional tender will be deemed satisfied upon the transfer, on the registration books of DTC, of the beneficial ownership interests in such Bonds tendered for purchase to the account of the Trustee, or a direct participant acting on behalf of the Trustee.

(e) Determination of Interest Rates and Certain Interest Rate Periods. Unless the interest rate on the Bonds is converted to an Alternate Rate after notice to the Bondholders in accordance herewith and with the Remarketing Agreement, the Bonds shall continue to bear interest at the interest rate determination method then in effect.

(i) During any Daily Rate Period, the Bonds of a Subseries shall bear interest at a Daily Rate determined as provided below:

(A) The Remarketing Agent shall determine the Daily Rate by 10:00 a.m., New York City time, on each Business Day. Each Daily Rate shall be the minimum rate of interest that, in the opinion of the Remarketing Agent, would be necessary to sell the Bonds on such date in a secondary market transaction at a price equal to the principal amount thereof plus accrued interest, if any; provided, however, that the rate so determined will not exceed the Maximum Interest Rate. The Daily Rate for any date that is not a Business Day shall be the rate established for the next preceding Business Day. The Daily Rate for any date on which the Remarketing Agent fails to set a Daily Rate shall be the rate established for the next preceding Business Day, and such rate shall continue to be the Daily Rate until a new Daily Rate is set, for a period of up to four (4) weeks. Thereafter, the Daily Rate shall be the Maximum Rate for so long as the Remarketing Agent continues to fail to set a Daily Rate. Notwithstanding anything else in this Indenture to the contrary, the Daily Rate shall be the Maximum Rate commencing on the Business Day following any day on which the Bank has failed to honor a properly presented and conforming draw on the applicable Letter of Credit for so long as such failure continues; the Remarketing Agent shall not set rates in this circumstance.

(B) The Remarketing Agent shall notify the Trustee by Electronic Notice of the Daily Rate determined each Business Day upon request by the Trustee, and shall provide a summary thereof on a weekly basis to the Trustee and the Borrower.

(C) The computation of the Daily Rate by the Remarketing Agent shall (in the absence of manifest error) be conclusive and binding on the Borrower, the Registered Owners and beneficial owners of the Bonds, the Issuer, the Trustee, the Bank and the Remarketing Agent. As long as interest on the Bonds is at a Daily Rate, no new Daily Rate shall become effective within one Business Day prior to an Interest Payment Date.

(D) The Trustee shall be entitled to rely conclusively on the Remarketing Agent with respect to the determination of the Daily Rate.

(ii) During any Weekly Rate Period, the Bonds of a Subseries shall bear interest at a Weekly Rate determined as provided below:

(A) The Remarketing Agent shall set the Weekly Rate at or prior to 4:00 p.m., New York City time, on any Weekly Rate Determination Date. The Weekly Rate for each Weekly Rate Period shall be the minimum rate of interest that, in the opinion of the Remarketing Agent, would be necessary to sell the Bonds on such date in a secondary market transaction at a price equal to the principal amount thereof plus accrued interest, if any; provided, however, that the rate so determined will not exceed the Maximum Interest Rate. If the Remarketing Agent fails to set a Weekly Rate on any Weekly Rate Determination Date, the then existing Weekly Rate shall continue until a new Weekly Rate is set, for a period of up to four (4) weeks. Thereafter, the Weekly Rate shall be the Maximum Rate for so long as the Remarketing Agent continues to fail to set a Weekly Rate. Notwithstanding anything else in this Indenture to the contrary, the Weekly Rate shall be the Maximum Rate commencing on the Weekly Rate Period following any day on which the Bank has failed to honor a properly presented and conforming draw on the applicable Letter of Credit for so long as such failure continues; the Remarketing Agent shall not set rates in this circumstance.

(B) No later than one Business Day succeeding each Weekly Rate Determination Date, the Remarketing Agent shall provide the Trustee and the Borrower with written confirmation by Electronic Notice of the Weekly Rate for such Weekly Rate Period.

(C) The computation of the Weekly Rate by the Remarketing Agent shall (in the absence of manifest error) be conclusive and binding on the Borrower, the Registered Owners and beneficial owners of the Bonds, the Issuer, the Trustee, the Bank and the Remarketing Agent.

(D) The Trustee shall be entitled to rely conclusively on the Remarketing Agent with respect to the determination of the Weekly Rate.

(iii) Bank Bonds shall bear interest at the rates, and shall be paid on the dates and in the amounts, provided for in the applicable Reimbursement Agreement.

(iv) During any Flexible Rate Period, the Bonds of a Subseries shall bear interest at a Flexible Rate. The Flexible Rate shall be computed by the Remarketing Agent on the Flexible Rate Determination Date as described below:

(A) The Flexible Rate with respect to any particular Bond shall be the lowest interest rate, not exceeding the Maximum Rate, which, in the determination of the Remarketing Agent as of the date of determination and under prevailing market conditions, would result as nearly as practicable in the market price for such Bond on the Flexible Rate Conversion Date (or subsequent Conversion Date, as the case may be) being one hundred percent (100%) of the principal amount thereof given the applicable Flexible Rate Period for such Bond, such interest rate to be determined as follows. The Remarketing Agent shall determine the Flexible Rate not later than 1:00 p.m., New York City time, on the first Business Day of the Flexible Rate Period. The Flexible Rate shall be communicated immediately by the Remarketing Agent by Electronic Notice, to the Trustee, the applicable Credit Provider, the Borrower and the Issuer, such communication to be received not later than 1:00 p.m., New York City time, on the day such Flexible Rate is determined.

(B) Each Flexible Rate Period is the period commencing on the Flexible Rate Conversion Date and ending not more than 270 days thereafter, selected by the Remarketing Agent as the Flexible Rate Period with respect to such Bond after consultation with the Borrower, if required by the Remarketing Agreement; provided that any Flexible Rate Period shall be selected such that the Conversion Date occurring on the day immediately following the last day of such Flexible Rate Period shall be a Business Day. On the Conversion Date immediately following the end of the preceding Flexible Rate Period with respect to any particular Bond, the interest rate on such Bond shall be converted to a new Flexible Rate for a new Flexible Rate Period determined as provided herein, unless the Borrower shall elect to convert such Bond to a Daily Rate, a Weekly Rate, a Term Rate, an Index Rate or to the Fixed Rate pursuant to the provisions of the Indenture. Notwithstanding the foregoing, the Remarketing Agent may not select a Flexible Rate Period for a particular Bond longer than the time remaining to the earlier of (i) the remaining term of the applicable Credit Facility and (ii) the maturity of such Bond.

(C) If for any reason the position of the Remarketing Agent is vacant, or if the Remarketing Agent fails in the performance of its duty to determine the Flexible Rate for any Flexible Rate Period or the Flexible Rate is held to be invalid or unenforceable by a court of law, as set forth in a written notice from the Corporation to the Trustee, such Flexible

Rate Period shall convert to a one (1) day period. The Flexible Rate for such Flexible Rate Period shall be determined by the Trustee and (i) for the Tax-Exempt Bonds, shall be one hundred percent (100%) of the SIFMA Swap Index published in The Bond Buyer or otherwise made available to the Trustee for the immediately preceding Flexible Rate Period, or if such index is no longer available, or no such index was so made available for the immediately preceding Flexible Rate Period, seventy percent (70%) of the interest rate on 30-day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in The Wall Street Journal or The Bond Buyer on the day the Flexible Rate would otherwise be determined as provided herein for such Flexible Rate Period, and (ii) for the Taxable Bonds, shall be one hundred percent (100%) of the interest rate on 30-day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in The Wall Street Journal or The Bond Buyer on the day the Flexible Rate would otherwise be determined as provided herein for such Flexible Rate Period. Notwithstanding the foregoing, if the applicable Credit Provider fails to honor a properly presented and conforming draw under its Credit Facility to pay the Purchase Price for any Flexible Rate Bond tendered pursuant to Section 202(f), Section 310, Section 313 or Section 314 and not remarketed, the interest rate on all such Bonds shall be the Maximum Rate.

(D) Any determination by the Remarketing Agent (or, if the Remarketing Agent fails to so determine, then by the Trustee) of any interest rate pursuant to this Section 202(e)(iv) shall be conclusive and binding upon the Trustee, the Remarketing Agent, the Issuer, the Borrower, the applicable Credit Provider and the owners of the Bonds.

(v) During any Term Rate Period, the Bonds of a Subseries shall bear interest at a Term Rate, The Term Rate shall be computed by the Remarketing Agent on the Term Rate Determination Date as described below:

(A) The Term Rate for each Subseries of Term Rate Bonds and maturity thereof shall be the lowest interest rate, not exceeding the Maximum Rate, which, in the determination of the Remarketing Agent as of the date of determination and under prevailing market conditions, would result as nearly as practicable in the market price for such Bonds of such maturity on the Term Rate Conversion Date being one hundred percent (100%) of the principal amount thereof, such interest rate to be determined as follows. The Remarketing Agent shall determine the Term Rate for each Subseries of Term Rate Bonds and maturity thereof not later than 12:00 p.m., New York City time, on the Business Day immediately preceding the Term Rate Conversion Date and such determination shall be conclusive and binding upon the Trustee, the Issuer, the Borrower, the applicable Credit Provider, the Remarketing Agent and the owners of such Bonds. The Term Rate for each Subseries of Term Rate Bonds and maturity thereof shall be communicated immediately by the Remarketing Agent by Electronic Notice, to the Trustee, the applicable Credit Provider, the Borrower and the Issuer, such communication to be received not later than 4:00 p.m., New York City time, on the day such Term Rate is determined.

(B) No later than seven calendar days succeeding each Term Rate Determination Date, the Remarketing Agent shall provide the Trustee, the applicable Credit Provider, the Borrower and the Issuer with written confirmation by email of the Term Rate for such Term Rate Period.

(C) The Term Rate Period is the period commencing on the Term Rate Conversion Date and ending on the day preceding (i) the six (6) month anniversary thereof or (ii) such later anniversary as corresponds to the integral multiple of six (6) months

selected by the Borrower, with the prior written consent of the applicable Credit Provider, as the Term Rate Period. Subsequent Term Rate Periods of six (6) months or such integral multiples of six (6) months as may be designated by the Borrower, with the approval of the applicable Credit Provider, shall commence on such anniversary of the Term Rate Start Date following the end of the preceding Term Rate Period (each such anniversary a "Term Rate Conversion Date"), unless the interest rate on the Bonds of such subseries shall be converted to a Daily Rate, Weekly Rate, Flexible Rate, Index Rate or Fixed Rate pursuant to the provisions of the Indenture or such Bonds mature or are redeemed in whole on such date. Notwithstanding the foregoing, the Borrower may not select a Term Rate Period longer than the time remaining to the earlier of (i) the remaining term of the applicable Credit Facility or (ii) the maturity of the applicable Bond (other than a Bond maturing on or before the Term Rate Start Date with respect to such Term Rate Period).

(D) With respect to the Bonds of a subseries and maturity thereof, if for any reason during any Term Rate Period the Term Rate for such Bonds of such maturity cannot be established or is held to be invalid or unenforceable by a court of law, the interest rate on such Bonds of such maturity shall be converted to the Weekly Rate determined by the Trustee and shall be one hundred percent (100%) of the most recent SIFMA Swap Index theretofore published in *The Bond Buyer* or otherwise made available to the Trustee. Notwithstanding the foregoing, if a Credit Provider fails to honor a properly presented and conforming draw under the applicable Credit Facility to pay the Purchase Price for any Term Rate Bond tendered pursuant to Section 202(f), Section 310, Section 313 or Section 314 of this Indenture and not remarketed, the interest rate on all such Bonds shall be the Maximum Rate.

(E) Any notice to the Trustee by the Remarketing Agent of the Term Rate as contemplated by the foregoing subsection (B) of this Section and any determination of any interest rate pursuant to subsection (D) of this Section shall be conclusive and binding upon the Trustee, the Remarketing Agent, the Issuer, the Mortgagor, the applicable Credit Provider and the owners of the applicable Bonds.

(vi) The Index Rate shall be computed by the Trustee as described below.

(A) Index Rate Bonds shall bear interest at the floating rate (the "Index Rate") described herein from the Conversion Date until the earliest to occur of (i) the Conversion of such Bonds to another interest rate determination method or to a Fixed Rate, (ii) the redemption of such Bonds, or (iii) the maturity date of such Bonds.

(B) The Index Rate shall be determined on each LIBOR Determination Date by the Trustee for the period commencing on the immediately succeeding Thursday through and including the following Wednesday, which is equal to seventy percent (70%) of LIBOR, plus one and one-tenth percent (1.10%), such sum to be rounded to five decimal places; provided, however, that in no event shall the Index Rate exceed the Maximum Interest Rate. "LIBOR Determination Date" means the second business day preceding each Thursday of each week (for the purpose of calculating LIBOR, a "business day" is any day on which banks in London and New York City are open for the transaction of international business). "LIBOR" means the London interbank offered rate as now administered by ICE Benchmark Administration Limited ("ICE") for deposits in U.S. dollars having a maturity of one month commencing on the LIBOR Determination Date (the "Index Maturity"), which appears on the Reuters Screen LIBOR01 Page as of 11:00 a.m., London time, on such LIBOR Determination Date. If such rate does not appear on the Reuters Screen LIBOR01 Page, the

rate for that day will be determined on the basis of the rates at which deposits in U.S. dollars, having the Index Maturity and in a principal amount of not less than U.S. \$1,000,000, are offered at approximately 11:00 a.m., London time, on such LIBOR Determination Date to prime banks in the London interbank market by the Reference Banks. The Trustee will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, the rate for that day will be the arithmetic mean of the quotations. If fewer than two quotations are provided, the rate for that day will be the arithmetic mean of the rates quoted by major banks in New York City, selected by the Trustee, at approximately 11:00 a.m., New York City time, on such LIBOR Determination Date for loans in U.S. dollars to leading European banks having the Index Maturity and in a principal amount equal to an amount of not less than U.S. \$1,000,000. Notwithstanding the foregoing, if LIBOR on any LIBOR Determination Date would be less than zero percent (0.0%), then LIBOR on such LIBOR Determination Date shall be deemed to be zero percent (0.0%). "Reference Banks" means four major banks in the London interbank market that are selected by the Trustee. [Add flexibility for other indices, e.g. SIFMA, and other spreads to the index]

(C) No later than the close of business on the second Business Day immediately following each LIBOR Determination Date, the Trustee shall provide the Issuer and the Borrower, with written confirmation by Electronic Notice of the Index Rate determined on such LIBOR Determination Date.

(D) The computation of the Index Rate by the Trustee shall (in the absence of manifest error) be conclusive and binding on the Issuer, the Borrower, the Registered Owners and the Trustee.

(f) Conversion. The rate of interest on one or more whole subseries of the Bonds may be converted (i) to a Variable Rate from a Flexible Rate, Term Rate, Index Rate or another Variable Rate, (ii) to a Flexible Rate from a Variable Rate, Term Rate, Index Rate or another Flexible Rate, (iii) to a Term Rate from a Variable Rate, Flexible Rate, Index Rate or another Term Rate, (iv) to an Index Rate from a Variable Rate, Flexible Rate or a Term Rate, or (v) to a Fixed Rate, from a Variable Rate, Flexible Rate, Index Rate or a Term Rate, all in accordance with the procedures set forth in this paragraph (f). The rate of interest may be established at a Weekly Rate from a Daily Rate in accordance with Section 202(e)(ii) or at a Daily Rate from a Weekly Rate in accordance with Section 202(e)(i) on any Interest Payment Date pursuant to the procedures set forth in this paragraph (f); provided that a Conversion from one Variable Rate Mode to another may not occur more often than four times a calendar year; and provided further that any Conversion to the Daily Rate requires the prior written concurrence of the Remarketing Agent that such a Conversion to the Daily Rate would not jeopardize the remarketing of the Bonds.

(i) Preconditions to Conversion. To effect Conversion of Bonds, the Borrower shall deliver a written notice to the Trustee, the Issuer, the Remarketing Agent, and the applicable Credit Provider electing to have the interest rate on such Bonds converted, and specifying the Conversion Date, which shall be not less than 35 calendar days after such notice is received by such parties for conversion. Notice of a Conversion must be accompanied by (A) except in the case of a Conversion from one Flexible Rate to another Flexible Rate, a form of opinion of Bond Counsel, addressed to the Issuer, Trustee and the Remarketing Agent, to the effect that Conversion in accordance with the provisions hereof will not adversely affect the exemption from federal income taxation of interest on the Tax-Exempt Bonds, (B) upon Conversion to a Variable Rate, written approval of the Conversion by a Credit Provider accompanied by an irrevocable commitment for the issuance of a Substitute Letter of Credit for

such Bonds, satisfying the requirements of Section 310, to be in effect upon and after Conversion, which commitment states that the Substitute Letter of Credit shall be in the Coverage Amount, together with accompanying documentation required by Section 310; (C) upon Conversion to the Daily Rate, written concurrence of the Remarketing Agent that such a Conversion to the Daily Rate would not jeopardize the remarketing of such Bonds; (D) an opinion of Bond Counsel to the effect that the provisions of Section 6.18 of the Loan Agreement regarding continuing disclosure have been met; (E) upon Conversion to an Index Rate, (i) written approval of the Conversion by a Credit Provider accompanied by an irrevocable commitment for the issuance of a Credit Facility for such Bonds, satisfying the requirements of Section 310 or Section 313, to be in effect upon and after Conversion, which commitment states that the Credit Facility shall provide for a long-term enhanced rating in at least the third-highest Rating Category of at least one Rating Agency, together with accompanying documentation required by Section 310 or Section 313, or (ii) a commitment from the purchaser of such Bonds upon Conversion, in form satisfactory to the Issuer, demonstrating that the purchase of such Bonds upon Conversion will meet the requirements of Section 212 hereof; (F) a certification that the provisions of Section 212 hereof will be satisfied upon Conversion; and (G) a check or wire transfer to the Trustee in the amount, if any, estimated by the Remarketing Agent, to pay all costs associated with the Conversion (excluding underwriter costs and fees to remarket such Bonds but including the costs and applicable fees of the Trustee and the Issuer). Such check or wire transfer shall be deposited with the Trustee in the Cost of Issuance Fund. The Remarketing Agent shall specify the Determination Date on which a Term Rate or the Fixed Rate will be determined by the Remarketing Agent. The Trustee shall notify DTC of any Conversion among Variable Rate Modes or the Flexible Rate Mode no later than 15 days prior to the anticipated Conversion. Bonds must be in book-entry form in order to bear interest at Daily Rates or Flexible Rates. [Citi: does trustee need to notify DTC in advance of conversion to index mode? Do bonds need to be in book entry form to bear interest in index mode?]

(ii) Mandatory Tender. The Bonds of a subseries are subject to mandatory tender on each Conversion Date for such subseries. The Trustee shall give notice of the Conversion Date to the Registered Owners of the Bonds of such subseries, in the same manner that notices of redemption are given, not less than 10 calendar days prior to the Conversion Date, which notice shall (1) specify the Conversion Date; (2) state that from and after the Conversion Date the Bonds of such subseries held by that Registered Owner will cease to bear interest; and (3) state that with respect to a Conversion Date such Bonds are subject to mandatory tender on the Conversion Date for purchase at the Purchase Price and that any such Bonds not delivered to the Trustee on the Conversion Date will be deemed to have been delivered on such Conversion Date and shall be available for purchase. Any such Bond not tendered for purchase on the Conversion Date shall be deemed to have been tendered for purchase, and shall cease to accrue interest on the Conversion Date. Notwithstanding the foregoing, no notice of mandatory tender upon a Conversion shall be given if the Conversion Date is also a Substitution Date.

The Trustee shall make appropriate notation on the registration record of any Bond deemed to have been delivered and purchased, and shall give notice by mail to the Registered Owner of each Bond deemed to have been delivered that the Bond in the possession of such Registered Owner shall cease to accrue interest on the Conversion Date. The Purchase Price of any Bond deemed to have been tendered as provided above shall be paid to the Registered Owner of such Bond who has been deemed to have tendered such Bond upon the delivery of such Bond to the Trustee, but from and after the Conversion Date such Bond in the possession of such Registered Owner shall not continue to accrue interest. The Trustee may authenticate a substitute Bond or Bonds of appropriate denominations in lieu of such Bond deemed to have

been delivered, and in an aggregate principal amount equal to the principal amount of the Bond deemed to have been delivered, and shall register such substitute Bond or Bonds in the name of any purchaser designated in writing by the Remarketing Agent. Any Bond tendered pursuant to the provisions of Section 202 from the date notice of Conversion is given through the Conversion Date, or deemed to have been so tendered as described in the next preceding paragraph, shall not be remarketed except to a purchaser who has received notice prior to such purchase of Conversion to the Daily Rate, Weekly Rate, Flexible Rate, Term Rate, Index Rate or Fixed Rate, as the case may be, on the Conversion Date.

Upon a Fixed Rate Conversion, the Trustee and the Issuer shall cause to be prepared, at the expense of the Borrower, new Bonds in the form set forth in Exhibit A hereto. Any such Bonds shall be executed and authenticated as provided in Section 203, and shall be delivered to Bondowners in accordance with written instructions of the Remarketing Agent.

(g) Interest After Conversion to a Fixed Rate. From and after Conversion to a Fixed Rate, the Bonds so converted will bear interest at a Fixed Rate, payable on July 1 and December 1 of each year, commencing on the Interest Payment Date next following the Fixed Rate Conversion Date, computed on the basis of a 360-day year of twelve 30-day months. The Fixed Rate determined by the Remarketing Agent on the Fixed Rate Determination Date shall be that rate or rates which, in the judgment of the Remarketing Agent, having due regard for prevailing financial market conditions, would be required, but would not exceed the rate or rates which would be required, to be borne by such Bonds in order for the market value of the Bonds on such date, priced to the maturity date of such Bonds, to be 100% of the principal amount thereof (disregarding accrued interest). The Fixed Rate Bonds will pay principal on each July 1 and December 1 until maturity (calculated to provide level debt service) in the form of serial maturities or mandatory sinking fund redemptions of term Bonds in order to achieve the lowest interest cost, as determined by the Remarketing Agent.

The determination of the Fixed Rate by the Remarketing Agent shall (in the absence of manifest error) be conclusive and binding on the Registered Owners and beneficial owners of the Bonds, the Issuer, the Borrower, the applicable Credit Provider, the Trustee and the Remarketing Agent. The Remarketing Agent shall notify the Trustee, the Borrower and the applicable Credit Provider of the Fixed Rate by fax, Electronic Notice or other written communication on the day the Fixed Rate is determined. The Trustee shall, upon request of any Bondowner, notify such Bondowner of the Fixed Rate to be in effect on and after the Fixed Rate Conversion Date.

The Trustee shall be entitled to rely conclusively on the Remarketing Agent with respect to the determination of the Fixed Rate.

(h) Demand for Purchase.

(i) Daily Rate Bonds shall be purchased in any Authorized Denomination (so long as any untendered portion is also in an Authorized Denomination) on any Business Day, at the option of the Owner (or Beneficial Owner, if such Bonds are in fully immobilized form) thereof, at the Purchase Price thereof (payable in immediately available funds at the Principal Office of the Trustee), if the Owner (or Beneficial Owner) thereof:

(A) gives irrevocable notice to the Remarketing Agent and the Trustee at or prior to [11:00], New York City time, on such Business Day by fax or Electronic Notice to such numbers or addresses designated for such purpose by the Remarketing Agent

and the Trustee stating the Owner's (or Beneficial Owner's) irrevocable and unconditional election to tender such Daily Rate Bond on such Business Day (the "Demand Date"). Such Demand Notice must include the name of such Owner (or Beneficial Owner) and the aggregate principal amount and CUSIP number of such Daily Rate Bonds to be tendered and, if delivered by the beneficial owner of the Daily Rate Bond, must be accompanied by an "SDFS Deliver Order" entered at DTC before or simultaneously with the notice; and

(B) if such Bonds are in certificated form, delivers such Daily Rate Bond, together with any applicable due bills, to the Trustee at or prior to [11:00 a.m.], New York City time, on such Business Day with all necessary endorsements.

(ii) Weekly Rate Bonds shall be purchased in any Authorized Denomination (so long as any untendered portion is also in an Authorized Denomination) at the option of the Owner (or Beneficial Owner if such Bonds are in fully immobilized form) thereof at the Purchase Price thereof (payable in immediately available funds at the Principal Office of the Trustee), if the Owner (or Beneficial Owner) thereof:

(A) gives irrevocable notice to the Remarketing Agent and the Trustee at or prior to [11:00 a.m.], New York City time, by fax or Electronic Notice to such numbers or addresses designated for such purpose by the Remarketing Agent and the Trustee stating the Owner's (or Beneficial Owner's) irrevocable and unconditional election to tender such Weekly Rate Bond. Such Demand Notice must include the name of such Owner (or Beneficial Owner) and the aggregate principal amount and CUSIP numbers of such Weekly Rate Bonds to be tendered and the applicable purchase date (the "Demand Date"), which shall be a Business Day on or prior to a Conversion Date but not prior to the seventh day next succeeding the date of delivery of such notice to the Remarketing Agent and the Trustee and, if delivered by the beneficial owner of the Weekly Rate Bond, must be accompanied by an "SDFS Deliver Order" entered at DTC before or simultaneously with the notice; and

(B) if such Bonds are in certificated form, delivers such Weekly Rate Bond, together with any applicable due bills, to the Trustee at or prior to [11:00 a.m.], New York City time, on the applicable purchase date with all necessary endorsements.

(iii) The delivery of the Tender Notice pursuant to this section shall be irrevocable and binding upon the Owner (or Beneficial Owner) providing such notice, and any certificated Bond for which such Tender Notice has been received pursuant to this Section, whether or not delivered to the Trustee or the Remarketing Agent on the Demand Date, shall be deemed to have been so delivered and shall be available for purchase. The Trustee and Remarketing Agent may rely conclusively upon receipt by it of a Tender Notice from a Beneficial Owner, but shall make payment of the Purchase Price only to the Registered Owner. If the certificated Bond is not delivered, the Trustee shall make appropriate notation on the registration records of any such Bond so deemed to have been delivered and purchased and shall give notice by mail to the Registered Owner of such Bond deemed to have been delivered that the Bond in the possession of such Registered Owner ceased to accrue interest on the Demand Date. The Purchase Price of any Bond deemed to have been tendered as provided above shall be paid to the Registered Owner (and not to the Beneficial Owner) of such Bond who has been deemed to have tendered such Bond upon delivery of such Bond to the Trustee or the Remarketing Agent, but from and after the Demand Date, such Bond in the possession of such Registered Owner shall not continue to accrue interest. The Trustee may authenticate a substitute Bond in lieu of any such Bond so deemed to have been delivered and shall register such substitute Bond in the name of any purchaser designated by the Remarketing Agent.

Payment of the Purchase Price of any Bond delivered as provided above shall be made by wire transfer, as designated in the Tender Notice with respect to such Bond, but, if such Bonds are in certificated form, only upon delivery and surrender of such Bond to the Trustee or the Remarketing Agent.

Anything herein to the contrary notwithstanding, no Bonds shall be purchased pursuant to this section or remarketed pursuant to Section 403 if an Event of Default under Section 801(a) or (b) hereunder shall have occurred and be continuing, which occurrence and continuation shall be communicated by the Trustee to the Remarketing Agent. Furthermore, no Bonds of a subseries shall be remarketed pursuant to Section 403 if all of the Bonds of such subseries shall have been called for redemption or mandatory tender unless the new purchaser has received prior notice from the Remarketing Agent of such redemption or tender.

Section 203. Registration, Transfer and Exchange. The Issuer shall cause books for the registration and transfer of the Bonds (the "Bond Register") to be kept by the Trustee, which is hereby constituted and appointed the Bond Registrar of the Issuer. The registration of ownership of the Bonds may be transferred only in the Bond Register. If the Bonds are then held in certificated form, upon surrender for transfer of any Bonds at the Principal Office of the Trustee duly endorsed for transfer or accompanied by an assignment duly executed, by the Registered Owner or his/her attorney duly authorized in writing, the Issuer shall cause to be executed, and the Trustee shall authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds in Authorized Denomination(s) in the aggregate principal amount shown on the books and records of the Trustee.

Bonds may be exchanged at the Principal Office of the Trustee for Bonds of Authorized Denomination(s) in the aggregate principal amount shown on the books and records of the Trustee. The Issuer shall cause to be executed and the Trustee shall authenticate and deliver Bonds which the Registered Owner making the exchange is entitled to receive, bearing numbers not then outstanding. The execution by the manual signature of the Mayor or the Director of the Mayor's Office of Housing and Community Development of the Issuer of any Bonds of any Authorized Denomination shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such Bonds. The Trustee shall not be required to transfer or exchange any Bonds after the mailing of notice calling such Bonds for redemption or mandatory tender has been given as herein provided, nor during the period between a Record Date and the next succeeding Interest Payment Date for such Bonds; provided, that so long as the Bonds bear interest at a Variable Rate, such Bonds may be transferred or exchanged if the purchaser thereof has received notice from the Remarketing Agent of such redemption or mandatory tender prior to purchase.

As to any Bond, the Bondowner shall be deemed and regarded as the absolute owner thereof for all purposes. Payment of principal of any Bonds shall be made only to or upon the order of the Bondowner or his/her attorney duly authorized in writing as of the date of such payment. Payment of the interest on any Bonds shall be made only to or on the order of the Bondowner or his/her attorney duly authorized in writing as of the Record Date or, if applicable, Special Record Date established pursuant to Section 202 for such payment, as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bonds to the extent of the sum or sums so paid.

The Issuer and the Trustee shall not charge Bondowners for any exchange or transfer of Bonds, except pursuant to Section 207 and except that in each case the Trustee shall require

the payment by Bondowners requesting exchange or transfer of any tax or other governmental charge required to be paid with respect thereto. The cost of printing any new Bonds shall be paid to the Trustee in accordance with Section 5.1(i) of the Loan Agreement.

Notwithstanding any other provision of this Indenture, (i) no Bond shall be transferred to a new Beneficial Owner unless the provisions of Section 212 have been satisfied, and (ii) any Bond that is not supported by a Credit Facility satisfying the requirements of Section 310 or Section 313 hereof shall not be transferred to a new Beneficial Owner unless all of the Outstanding Bonds are being simultaneously transferred to such new Beneficial Owner.

Section 204. Execution; Limited Obligation. The Bonds shall be executed in the name and on behalf of the Issuer by the manual signature of the Mayor or the Director of the Mayor's Office of Housing and Community Development of the Issuer, without the need for seal or attestation.

In case any officer of the Issuer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

No recourse shall be had for the payment of the principal of, or premium, if any, or interest on, any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Indenture contained, against any past, present or future officer, employee or agent of the Issuer or any successor public entity, as such, either directly or through the Issuer or any successor public entity, under any rule of law or penalty or otherwise, and all such liability of any such officer, employee or agent as such is hereby expressly waived and released as a condition of, and in consideration for, the execution of this Indenture and the issuance of any of the Bonds.

The Bonds are not and never shall become general obligations of the Issuer, but are limited obligations payable by the Issuer solely and only from the Revenues and the other security pledged herein for such purpose, which Revenues, together with any such other security provided herein, are hereby specifically and irrevocably granted, bargained, sold, conveyed, transferred, alienated, assigned and pledged to such purposes in the manner and to the extent provided herein. The Bonds and the interest thereon do not and never shall constitute a debt or an indebtedness or a general obligation of the Issuer, the State, or any county, city or other municipal or political corporation or subdivision of the State, or a loan of the faith or credit or the taxing power of any of them, within the meaning of any constitutional or statutory provisions, nor shall the Bonds be construed to create any moral obligation on the part of the Issuer, the State, or any county, city or other municipal or political corporation or subdivision of the State with respect to the payment of the Bonds. The Bonds shall not be payable from the general revenues of the Issuer, and neither the Issuer nor the State nor any political corporation, subdivision or agency thereof will be liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those specifically pledged therefor.

Section 205. Authentication. No Bond shall be valid for any purpose until the certificate of authentication on such Bond shall have been duly executed by the Trustee, and such authentication shall be conclusive proof that such Bond has been duly authenticated and delivered under this Indenture and that the Owner thereof is entitled to the benefits of the trust hereby created. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by the Trustee if (a) signed by an authorized signatory of the Trustee, but it

shall not be necessary that the same signatory sign the certificate of authentication on all of the Bonds issued hereunder, and (b) the date of registration and authentication of the Bond is inserted in the place provided therefor on the Trustee's certificate of authentication.

Section 206. Form of Bonds. The Bonds issued under this Indenture shall be substantially in the forms set forth in Exhibit A attached hereto and incorporated by reference herein, with such appropriate variations, omissions and insertions as are permitted or required by this Indenture or a Supplemental Indenture.

Section 207. Mutilated, Destroyed, Lost or Stolen Bonds. If any Bond or temporary Bond is mutilated, lost, stolen or destroyed, the Issuer may cause to be executed and, thereupon, the Trustee shall authenticate a new Bond of like date, maturity, interest rate and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be furnished to the Trustee evidence of such loss, theft or destruction satisfactory to it, together with indemnity satisfactory to it. If any such Bond has matured, instead of issuing a replacement Bond as provided above, the Trustee may pay the same upon receipt by the Trustee of indemnity satisfactory to it. The Trustee may charge the owner of such Bond with its reasonable fees and expenses in this connection. The Issuer shall cooperate with the Trustee in connection with the issue of replacement Bonds, but nothing in this section shall be construed in derogation of any rights which the Issuer or the Trustee may have to receive indemnification against liability, or payment or reimbursement of expenses, in connection with the issue of a replacement Bond.

Every substituted Bond issued pursuant to this section shall constitute an additional contractual obligation of the Issuer, whether or not the Bond alleged to have been mutilated, destroyed, lost or stolen shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder.

All Bonds shall be held and owned upon the express condition that the foregoing provisions are, to the extent permitted by law, exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and preclude any and all other rights or remedies.

Section 208. Temporary Bonds. Pending preparation of definitive Bonds or by agreement with the purchasers of all Bonds, the Issuer may issue and, upon the Issuer's request, the Trustee shall authenticate, in lieu of definitive Bonds, one or more temporary printed or typewritten Bonds in any Authorized Denominations and of substantially the tenor recited above. Upon request of the Issuer, the Trustee, without any additional charge to the Owners thereof, shall authenticate definitive Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same rights, remedies and security hereunder as definitive Bonds.

Section 209. Cancellation and Destruction of Surrendered Bonds. Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture, for payment of the principal amount represented thereby, or for replacement pursuant to Sections 203, 207, 208 or Article VI, such Bond shall be promptly cancelled and cremated or otherwise destroyed by the Trustee in accordance with its usual and customary practices.

Section 210. Delivery of the Bonds. Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate the Bonds and deliver them to the purchasers as directed by the Issuer as hereinafter in this section provided.

Prior to the delivery by the Trustee of any of the Bonds there shall have been filed with the Trustee:

- (a) A copy, duly certified by the Issuer, of the Resolution.
- (b) Original executed counterparts of this Indenture, the Loan Agreement, the Letters of Credit, the Mortgage Note, the Regulatory Agreement, the Tax Certificate and the Remarketing Agreement:
- (c) An opinion of Bond Counsel that the issuance of the Bonds and the execution of this Indenture have been duly and validly authorized, that all requirements under this Indenture precedent to the delivery of the Bonds have been satisfied, and that the Bonds and the Indenture are valid and binding obligations, enforceable against the Issuer in accordance with their terms (subject to any applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting the enforcement of creditors' rights generally and subject also to the application of equitable principles if equitable remedies are sought) and that, subject to such assumptions and qualifications as Bond Counsel may deem appropriate, the interest on the Tax-Exempt Bonds is exempt from federal income taxes.
- (d) A request and authorization to the Trustee on behalf of the Issuer to authenticate and deliver the Bonds to the purchasers therein identified upon payment to the Trustee, but for the account of the Issuer, of a sum specified in such request and authorization. The proceeds of such payment shall be transferred and deposited pursuant to Article III and as indicated in such request and authorization.
- (e) An opinion of Counsel to the Borrower substantially to the effect (i) that the Borrower has duly authorized, executed and delivered the Mortgage Loan Documents and that, assuming due authorization, execution and delivery by the other parties thereto, such instruments constitute legal, valid and binding obligations of the Borrower, enforceable in accordance with their terms, subject to customary exceptions relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws or judicial decisions affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and (ii) that the Regulatory Agreement constitutes a legal, valid and binding restriction on the use of the Project and the recordation thereof will subject the Project to the covenants, restrictions and reservations intended to run with the Project as set forth in the Regulatory Agreement subject to customary exceptions relating to the bankruptcy, insolvency, organization, moratorium or other similar laws or judicial decisions affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).
- (f) An opinion counsel to the Bank to the effect that (A) the Bank has the power and authority to execute, deliver and perform its obligations under each Letter of Credit, (B) each Letter of Credit is the valid and binding obligation of the Bank, enforceable against the Bank in accordance with its terms, except insofar as its enforceability may be limited by any insolvency or similar proceedings applicable to the Bank, or by proceedings affecting generally

the rights of the Bank's creditors, and (C) the execution, delivery and performance of each Letter of Credit has been duly authorized by the Bank.

Section 211. Additional Bonds; Additional Indebtedness. Without the consent of or notice to the Bondowners, the Issuer may issue additional bonds having a parity of lien on the Trust Estate at the request of the Borrower with (1) the prior written consent of the Credit Provider of an Alternate Credit Facility and written confirmation from the Credit Provider of an Alternate Credit Facility delivered to the Trustee and the Issuer to the effect that a Letter of Credit or Alternate Credit Facility has been increased in Coverage Amount, or a separate Alternate Credit Facility has been provided, to provide credit enhancement and, if necessary, liquidity support, for the Bonds and additional bonds and (2) prior written confirmation from the Rating Agency that the rating on the Bonds will not be reduced or withdrawn solely as a result of the issuance of any such additional bonds. If additional bonds are issued pursuant to this Section 211, all references in this Indenture to the Bonds shall be deemed to refer to the Bonds and any additional bonds.

Without the consent of or notice to the Bondowners, the Borrower may incur additional indebtedness and may grant liens to secure such additional indebtedness; provided, however, that nothing in this Section 211 shall alter any requirement in any reimbursement or similar credit agreement between the Borrower and the Bank, Substitute Bank or issuer of any Alternate Credit Facility to obtain the written consent of such entity to the incurring of such additional indebtedness or the grant of such liens.

Section 212. Certain Restrictions on Remarketing. At any time after the Bond Closing, a remarketing of any Bond in connection with a mandatory tender for purchase pursuant to Section 202(f), Section 310, Section 313 or Section 314 hereof shall be null and void under this Indenture unless the Bond purported to be remarketed satisfies the requirements of subsection (a), (b) or (c) of this Section 212.

(a) Upon remarketing, the credit-enhanced or unenhanced long-term rating assigned by the Rating Agency to the Bond would be equal to or higher than "A," "A2" or equivalent, and, for Variable Rate Bonds and Flexible Rate Bonds, the credit-enhanced or unenhanced short-term rating assigned to the Bond would be in the highest rating category of such Rating Agency.

(b) All of the Outstanding Bonds are being remarketed to a single Beneficial Owner and the new Beneficial Owner of the Bonds would be an Approved Transferee that has delivered to the Issuer and the Trustee a Required Transferee Representations certificate.

(c) The written consent of the Issuer to such remarketing is obtained.

ARTICLE III REVENUES AND FUNDS

Section 301. Source of Payment of Bonds. The Bonds and all payments required of the Issuer hereunder are not and shall never become general obligations of the Issuer, but are special, limited obligations payable solely and only from the Revenues and Funds and Accounts pledged in the Granting Clauses hereof, and as authorized by the Act and provided herein.

Section 302. Creation of Funds and Accounts. The following Funds and Accounts of the Issuer are hereby created and established with the Trustee:

(a) the Mortgage Loan Fund, and within such fund, the Tax-Exempt Account and the Taxable Account;

(b) the Cost of Issuance Fund;

(c) the Debt Service Fund, and within such fund, one Debt Service Account and one Purchase Account for each Subseries of Bonds; and

(d) the Principal Reserve Fund, and within such fund, one Principal Reserve Account for each Subseries of Bonds.

Each Fund and Account shall be maintained by the Trustee as a separate and distinct trust fund or account to be held, managed, invested, disbursed and administered as provided in this Indenture. All moneys deposited in the Funds and Accounts shall be used solely for the purposes set forth in this Indenture. The Trustee shall keep and maintain adequate records pertaining to each Fund and Account, and all disbursements therefrom.

The Trustee shall be entitled to establish other trust funds and accounts, including but not limited to a Seasoned Funds Account in the Debt Service Fund and a Rebate Fund, as the Trustee shall deem necessary in order to properly administer the Trust Estate.

Section 303. Initial Deposits. On Bond Closing, the Trustee shall deposit the proceeds received from the sale of the Bonds, together with money, if any, received from the Issuer and Borrower, in accordance with Exhibit B hereto.

Section 304. Mortgage Loan Fund. The Trustee shall deposit into the various accounts of the Mortgage Loan Fund the amounts received pursuant to Exhibit B hereto. Such moneys and the investment earnings thereon shall be held by the Trustee in trust and shall be applied or disbursed in accordance with this section, Section 602(a)(i) and the Loan Agreement.

(a) In accordance with Section 4.2(a) of the Loan Agreement, the Trustee shall disburse amounts from the Mortgage Loan Fund pursuant to Funding Requisitions in substantially the form attached as an exhibit to the Loan Agreement.

(b) Amounts remaining in the Mortgage Loan Fund on [_____, 20__] [Bank and underwriter to advise when an excess proceeds call s/b required] (or such later date as may be established pursuant to Section 4.2(b) of the Loan Agreement) shall be used to redeem Bonds as described in Section 602(a).

(c) Amounts in the Mortgage Loan Fund shall be invested only in Permitted Investments as described in instructions from the Borrower and approved by the Administrative Agent.

(d) Amounts in the Taxable Account of the Mortgage Loan Fund may be transferred to any Debt Service Accounts to pay interest on the Bonds (or to reimburse the applicable Credit Provider therefor). Amounts in the Tax-Exempt Account of the Mortgage Loan Fund may be transferred to any Debt Service Account for Tax-Exempt Bonds to pay interest on such Tax-Exempt Bonds accrued up to the date of construction completion of the Project (or to reimburse the applicable Credit Provider therefor).

Section 305. Cost of Issuance Fund. On Bond Closing, the Trustee shall deposit into the Cost of Issuance Fund the amounts required by Exhibit B hereto. Moneys on deposit in the Cost of Issuance Fund shall be applied to pay Issuance Costs set forth in a closing memorandum prepared by the underwriter of the Bonds and approved by the Issuer, or otherwise approved by the Issuer. Any moneys remaining in the Cost of Issuance Fund on the 180th day following Bond Closing and not reasonably expected to be necessary for the payment of any expenses hereunder or costs of issuance of the Bonds shall be transferred to the Borrower and the Cost of Issuance Fund shall be closed; provided, that any requests for payments of additional fees and costs incurred in connection with the issuance of the Bonds received after the 180th day following Bond Closing shall be immediately paid for by the Borrower. The Cost of Issuance Fund may be reopened if required under Section 202(f) and closed again by the 90th day thereafter subject to the requirements of this paragraph. Notwithstanding anything to the contrary contained herein, investment earnings and other amounts remaining on deposit in the Costs of Issuance Fund as of _____ 1, 20__, shall be transferred to the Taxable Account of the Mortgage Loan Fund or, if such account is then closed, to the Debt Service Fund.

Moneys in the Cost of Issuance Fund shall be invested only in Permitted Investments as described in subsection (viii) of such definition.

Section 306. Debt Service Fund. Money on deposit in each Debt Service Account shall be applied solely to pay the principal or Purchase Price of, premium, if any, and interest on the Bonds of the applicable Subseries as the same shall become due and payable, subject to the provisions of Section 309(d).

(a) Payments of Interest. For each Subseries of Bonds, the Trustee shall deposit into the applicable Debt Service Account from (i) funds received from an interest draw on the applicable Credit Facility other than upon a remarketing in accordance with Section 309(c) and (ii) upon any failure of the applicable Credit Provider to pay a draw on such Credit Facility, any other Revenues received by the Trustee and available to pay interest on such Bonds, in that order of priority, in an amount sufficient to pay the interest becoming due and payable on such Bonds on the next Interest Payment Date. On each scheduled Interest Payment Date, the Trustee shall remit in accordance with Section 202 to the Bondowner as of the Record Date for such interest payment, an amount from the applicable Debt Service Account sufficient to pay the interest on such Bonds becoming due and payable on such date.

(b) Payments of Principal. For each Subseries of Bonds, the Trustee shall deposit into the applicable Debt Service Account from (i) funds received from a principal draw on the applicable Credit Facility other than upon a remarketing, (ii) funds received from a draw on such Credit Facility, if any, for redemption premium, and (iii) upon any failure of the applicable Credit Provider to pay a draw on such Credit Facility, any other Revenues received by the Trustee and available to pay principal of and premium, if any, on such Bonds, in an amount sufficient to pay the principal of and premium, if any, on such Bonds on the next Interest Payment Date. On each date on which any principal becomes payable on such Bonds, the Trustee shall set aside and hold in trust, an amount from the applicable Debt Service Account sufficient to pay the amount of principal of such Bonds becoming due and payable on such date.

(c) Seasoned Funds Account. For each Subseries of Bonds, if the Borrower deposits with the Trustee moneys to be used to pay the redemption premium on such Bonds in accordance with Section 602(b), the Trustee shall establish a Seasoned Funds Account in the Debt Service Fund and a separate subaccount therein for each such deposit. Moneys on

deposit in a Seasoned Funds Account that represent Seasoned Funds shall be transferred to the applicable Debt Service Account to the extent necessary to pay the premium, if any, on such Bonds as the same become due and payable by redemption. Such moneys shall be paid to the Bondowners only if they constitute Seasoned Funds. Any excess moneys in the Seasoned Funds Account shall be paid to the Borrower.

(d) Purchase Account. The Trustee shall create a Purchase Account within the Debt Service Fund for each Subseries of Bonds. The Trustee shall deposit (i) the proceeds from the remarketing of Bonds of each Subseries, (ii) the proceeds of each draw on a Credit Facility for the purchase of Bonds of such Subseries upon optional or mandatory tender, and (iii) any other Seasoned Funds provided for the purchase of Bonds of such Subseries upon optional or mandatory tender, in the applicable Purchase Account, and shall keep such proceeds segregated from other moneys held under this Indenture. The Trustee shall apply the moneys so deposited in each such Purchase Account to purchase Bonds of the applicable Subseries upon optional or mandatory tender pursuant to the Indenture.

(e) Other Accounts. Pursuant to Section 302(c), the Trustee shall create a separate Debt Service Account for each Subseries of Bonds, and the provisions in this Section 306 relating to the deposit and application of funds in the Debt Service Fund for the payment of principal, premium, if any, and interest on such Subseries shall apply to the respective Debt Service Account and the applicable Credit Facility, if any. The proceeds of any principal or interest draw on a Credit Facility for a Subseries shall be deposited in such Debt Service Account and shall be segregated from amounts in any other fund or account.

Section 307. Rebate Fund. If the Trustee receives amounts determined in accordance with the Tax Certificate to be a Rebate Amount, the Trustee shall establish a Rebate Fund and deposit such amounts therein. The Trustee shall withdraw such amounts to pay the Rebate Amount required to be paid to the United States of America as specified in writing by the Rebate Analyst, Bond Counsel or the Issuer. The Trustee shall not be responsible for calculating Rebate Amounts, for the adequacy or correctness of any rebate report, or for enforcing compliance with rebate filing or reporting requirements.

Section 308. Principal Reserve Fund.

(a) For each Subseries of Bonds, the Trustee shall create a Principal Reserve Account within the Principal Reserve Fund. There shall be deposited into each such Principal Reserve Account the applicable Principal Reserve Schedule Payments. Any interest earned on or profits realized from amounts on deposit in a Principal Reserve Account shall be deposited into such Principal Reserve Account and, provided that (i) the Trustee has not received notice from the applicable Credit Provider of a deficiency in such Principal Reserve Account, (ii) there is no deficiency in the Rebate Fund, and (iii) the Trustee has not received notice that a default exists under any of the Mortgage Loan Documents, shall promptly be paid to the Borrower on the Interest Payment Date next succeeding receipt of such interest or profits by the Trustee.

(b) At the written direction of the applicable Credit Provider, amounts on deposit in each Principal Reserve Account shall be used by the Trustee to pay any amounts required to be paid by the Borrower under any Mortgage Loan Document, to pay any amounts owed to such Credit Provider in connection with any loan purchased by such Credit Provider and secured by the Project, or to pay any other amount agreed to in writing by the Borrower and such Credit Provider; provided that the amounts on deposit in each Principal Reserve Account

shall, upon the occurrence of an event of default under any Mortgage Loan Document, be used in any manner and for any purpose specified by the applicable Credit Provider or the Administrative Agent in writing to the Trustee.

(c) At the written request of the Borrower, a Credit Provider, in its sole and absolute discretion, may (i) consent to the release of all or a portion of the amounts on deposit in an applicable Principal Reserve Account to the Borrower (in which case the Trustee shall release such amounts to the Borrower, provided that if, in the judgment of the Rebate Analyst, the amount on deposit in the Rebate Fund at such time is less than the amount required under Section 307 to be rebated to the United States Treasury, then prior to any such release to the Borrower, any amounts on deposit in such Principal Reserve Account (up to the amount of such deficiency) shall be transferred to the Rebate Fund) and/or (ii) reduce or no longer require deposits to such Principal Reserve Account.

(d) On each Conversion Date, amounts on deposit in the applicable Principal Reserve Account or Accounts shall be used to reimburse the applicable Credit Provider in an amount equal to any Guaranteed Payment made by such Credit Provider to the Trustee under the applicable Credit Facility to redeem Bonds of the applicable Subseries in Authorized Denominations pursuant to Section 602(a)(viii).

(e) On the first day of the month in which an Interest Payment Date falls during a Term Rate Period or a Fixed Rate Period, amounts on deposit in the applicable Principal Reserve Account shall be used to reimburse the applicable Credit Provider in an amount equal to any Guaranteed Payment made by such Credit Provider to the Trustee under the applicable Credit Facility to redeem Bonds of the applicable Subseries in Authorized Denominations pursuant to Section 602(a)(iii).

(f) On any Interest Payment Date, to the extent of any deficiency in a Debt Service Account, at the written direction of the applicable Credit Provider, amounts on deposit in the applicable Principal Reserve Account shall be transferred to such Debt Service Account in the amount of such deficiency.

(g) Unless otherwise directed by the applicable Credit Provider, during a Variable Rate Period, on the tenth Business Day prior to each Interest Payment Date, all amounts on deposit in a Principal Reserve Account in excess of the applicable Principal Reserve Requirement (rounded downward to the nearest integral multiple of \$100,000), shall be available for the redemption of Bonds of the applicable Subseries pursuant to Section 602(a)(ix) hereof and shall be applied to the reimbursement of the applicable Credit Provider for amounts drawn under the applicable Credit Facility in a like amount to effect the redemption of Bonds of such Subseries pursuant to Section 602(a)(ix) hereof.

(h) Any amounts remaining in a Principal Reserve Account after payment in full of the principal of and interest on the Bonds of the applicable Subseries shall be applied as provided in Section 311 hereof.

Section 309. Letters of Credit and Drawings Thereunder.

(a) Upon the issuance and delivery of the Bonds, the Trustee will receive one or more Letters of Credit that are each specified to provide liquidity and credit support for one or more different Subseries of Bonds initially bearing interest at Variable Rates such that all of the Letters of Credit, collectively, provide liquidity support and credit enhancement for all of the

Bonds initially bearing interest at Variable Rates. Each Letter of Credit shall be held by the Trustee and drawn upon in accordance with its terms consistent with the provisions of this Indenture, and specifically by such means and manner specified in such Letter of Credit as shall be sufficient to enable the Trustee to receive funds therefrom on or before the dates such funds are required for the purposes hereof. Moneys derived from draws upon each Letter of Credit shall be deposited in the appropriate Debt Service Account and held segregated from other funds, and applied by the Trustee to pay the principal of and interest on the applicable Subseries of Bonds or transferred to pay the Purchase Price of the applicable Subseries of Bonds tendered in accordance with Section 202(f), 202(h), 310(f), 313 or 314 hereof.

(b) The Trustee shall draw moneys under each Letter of Credit in accordance with the terms thereof in order to provide the moneys necessary to make timely payments of the principal of and interest on the applicable Subseries of Bonds (other than Bank Bonds) on each Interest Payment Date. Payments of the principal of and interest on the Bonds shall be paid from the following sources in the following order of priority: (i) proceeds of draws on such Letter of Credit and (ii) in the event that the applicable Credit Provider has failed to pay a draw on such Letter of Credit, any other available Revenues paid to the Trustee; provided, that money received as draws on such Letter of Credit shall not be commingled with other money held under the Indenture.

In accordance with the preceding paragraph, the Trustee shall draw moneys under each Letter of Credit to make payments on the Bonds of the applicable Subseries on each Interest Payment Date, such draw to be presented to the Bank by [3:30 p.m.] New York City time on the Business Day immediately preceding such Interest Payment Date (including any date fixed for payment of such Bonds pursuant to Section 602 or Section 802), in an amount which is sufficient to pay the principal of and/or interest becoming due and payable on such Bonds on such date.

(c) The Trustee shall draw on each Letter of Credit by [12:30 p.m.] New York City time on each Demand Date, in an amount sufficient to pay the Purchase Price of any Bonds of the applicable Subseries (other than Bank Bonds or Bonds owned by the Borrower to the extent known by the Trustee) tendered or deemed tendered pursuant to Section 202(f), 202(h), 310(f), 313 or 314 for which it has not received remarketing proceeds; provided, that in the case of a tender for a Substitute Letter of Credit or Alternate Credit Facility, such draw shall be made on the existing Credit Facility for the applicable Subseries.

(d) If, on an Interest Payment Date, the Trustee holds funds in the Debt Service Fund representing proceeds of a draw on a Letter of Credit that are not needed for the purpose of such draw, the Trustee shall promptly remit such funds to the Administrative Agent.

(e) The Trustee shall send to the Borrower a copy or a summary of any documents which are presented to the Bank in connection with a drawing on each Letter of Credit concurrently with its submission of those documents to the Bank; provided, however, that failure or delay in so doing shall in no way affect the validity of such drawing on such Letter of Credit.

(f) If a Letter of Credit for a Subseries of Bonds is extended, the Borrower shall deliver to the Trustee (1) an irrevocable commitment, subject to customary conditions precedent, of the Bank, no later than 30 days prior to the regularly scheduled Interest Payment Date immediately prior to the expiration date of the then existing Letter of Credit for such

Subseries and (2) the amended Letter of Credit showing the extension of the expiration date, no later than 15 calendar days prior to such regularly scheduled Interest Payment Date.

(g) Except as provided in Section 310(e) or in exchange for an Alternate Credit Facility or an extended or modified Letter of Credit, the Trustee shall not surrender the applicable Letter of Credit to the Bank unless and until the principal of and interest on the Bonds of the applicable Subseries (other than Bank Bonds) are paid in full.

Section 310. Substitute Letter of Credit.

(a) On any Business Day while the Bonds of a Subseries bear interest at a Variable Rate, or on a Flexible Rate Conversion Date, a Term Rate Conversion Date, an Index Rate Conversion Date or the Fixed Rate Conversion Date, or upon receipt by the Trustee of written notice of a Wrongful Dishonor of the applicable Credit Facility, an Act of Bankruptcy of Credit Provider or a Determination of Unenforceability, or on the regularly scheduled Interest Payment Date immediately prior (but in no case less than five Business Days prior) to the stated expiration date of such Letter of Credit while such Bonds bear interest at a Fixed Rate or an Index Rate, the Borrower may, in accordance with this Section 310, provide the Trustee with a Substitute Letter of Credit meeting the requirements of this Section. Such Bonds shall be subject to mandatory tender as described in Section 310(f) upon the substitution of the Letter of Credit.

If, following an Event of Default by the Borrower under the Loan Agreement while the Bonds of a Subseries bear interest at a Variable Rate, all of such Bonds that are Outstanding have been optionally tendered for purchase and the Purchase Price has been paid in full as provided in the Indenture, then, on any Business Day, the applicable Credit Provider may provide the Trustee with a Substitute Letter of Credit meeting the requirements of this Section. The Remarketing Agent or Agents may, but shall not be obligated to, remarket such Bonds upon the effectiveness of such Substitute Letter of Credit.

(b) Any Substitute Letter of Credit must satisfy the following criteria:

(1) Any Substitute Letter of Credit shall be an irrevocable, transferable direct pay letter of credit of the Bank or a Substitute Bank; provided that all Letters of Credit for a Subseries must be provided by the same financial institution. On any date, a Substitute Letter of Credit for a Subseries of Bonds shall be in an amount not less than the Coverage Amount for such Subseries of Bonds. The Substitute Letter of Credit shall contain a provision permitting drawings thereunder to pay principal or Purchase Price of and interest on the applicable Bonds on the scheduled dates for payment of such amounts or upon maturity, tender for purchase, redemption or acceleration, shall provide for automatic and irrevocable reinstatement of the interest amount thereof upon any drawing thereunder to pay interest on such Bonds, and shall be substantially similar in form and substance to the theretofore outstanding Letter of Credit for such Bonds, as determined by the Trustee, and shall be effective not less than five Business Days prior to the scheduled expiration or termination of the then-effective Letter of Credit.

(2) While Bonds bear interest at a Variable Rate or Flexible Rate, any Substitute Letter of Credit shall expire no earlier than one year from its issuance; provided, that the expiration date need not be longer than 15 days after the final maturity of such Bonds; and provided, further, that no Substitute Letter of Credit for Flexible Rate Bonds shall expire earlier than 15 days after the end of the last Flexible Rate Period for such Bonds.

Upon or after Conversion to a Term Rate, an Index Rate or a Fixed Rate, any Substitute Letter of Credit shall expire no earlier than the soonest of:

(a) the expiration date of any then existing Letter of Credit issued at the time of Conversion to a Term Rate, an Index Rate or a Fixed Rate,

(b) the expiration date of any then existing Letter of Credit, if issued after Conversion to a Term Rate, an Index Rate or a Fixed Rate, or

(c) 15 days after the earlier of (i) the expiration of the applicable Term Rate Period or (ii) the final maturity of the applicable Bonds.

Any Substitute Letter of Credit shall expire no sooner than 15 days after the scheduled Interest Payment Date immediately preceding the expiration date.

(3) Any Substitute Letter of Credit shall provide for payment of principal of and interest on the applicable Bonds upon an optional redemption pursuant to Section 602(b) if, during the term of such Substitute Letter of Credit, the Mortgage Note is subject to optional prepayment pursuant to Section 5.4 of the Loan Agreement.

(c) If the Substitute Letter of Credit is to be provided in connection with the stated expiration of a then-effective Letter of Credit, the Borrower shall deliver to the Trustee (1) the irrevocable commitment, subject to customary conditions precedent, of the issuer of the Substitute Letter of Credit no later than thirty (30) days prior to the latest regularly scheduled Interest Payment Date that is at least five Business Days prior to the expiration date of the then existing Letter of Credit, and (2) the documents required by Section 310(d) no later than five (5) calendar days prior to such regularly scheduled Interest Payment Date. If the Substitute Letter of Credit is to be provided with respect to a substitution other than in connection with a stated expiration date of the then effective Letter of Credit, the Borrower shall deliver to the Trustee the foregoing commitment thirty (30) days prior to the Substitution Date and other documents no later than ten (10) calendar days before the Substitution Date.

As soon as practicable upon receipt of such irrevocable commitment or upon any substitution other than in connection with a stated expiration of the then effective Letter of Credit, the Trustee shall send written notice by first-class mail, postage prepaid, to the Issuer, the Remarketing Agent and the Rating Agency which notice shall identify the issuer of the Substitute Letter of Credit.

(d) Prior to accepting delivery of the Substitute Letter of Credit:

(1) the Trustee shall receive an opinion of Counsel to the effect that the Substitute Letter of Credit is the valid and binding obligation of the issuer thereof, enforceable against the issuer in accordance with its terms, except insofar as its enforceability may be limited by any insolvency or similar proceedings applicable to the issuer thereof or by proceedings affecting generally the rights of the issuer's creditors;

(2) the Trustee shall receive written evidence from the Rating Agency that issuance of the Substitute Letter of Credit will not result in a long-term rating on the applicable Bonds of less than "A" or "A2" or equivalent and, with respect to Variable Rate Bonds, will not result in a short-term rating on such Bonds lower than the highest short-term

rating category; provided, that if an Act of Bankruptcy of Credit Provider or Wrongful Dishonor has occurred with respect to the current Credit Provider, the Director of the Mayor's Office of Housing and Community Development of the Issuer may, by his written consent and in his sole discretion, permit the Bonds to receive a long-term rating lower than "A" or "A2" or a short-term rating lower than the highest short-term rating category if such lower rating or ratings are not lower than the rating or ratings on the Bonds prior to the Act of Bankruptcy of Credit Provider or Wrongful Dishonor and not lower than "B" or "Baa" or equivalent in any event; and

(3) the Trustee, the Issuer and the Remarketing Agent shall receive an opinion of Bond Counsel to the effect that provision of such Substitute Letter of Credit will not cause the interest on the Tax-Exempt Bonds to be included in gross income under federal tax law and an opinion of counsel satisfactory to such parties that the remarketing of the Bonds with such Substitute Letter of Credit will be exempt from registration under the Securities Act of 1933.

(e) Simultaneously with accepting delivery of the Substitute Letter of Credit and after payment by the Bank of all outstanding draws on the expiring or terminating Letter of Credit, the Trustee shall deliver the then expiring or terminating Letter of Credit to the Bank.

(f) The applicable Bonds shall be subject to mandatory tender in whole on the effective date of any Substitute Letter of Credit or Alternate Credit Facility, or on the date on which the Borrower elects to cause the termination of an existing Credit Facility in accordance with the terms thereof pursuant to Section 314 hereof (the "Substitution Date"). The Trustee shall give written notice of the substitution or termination of the applicable Credit Facility to all Owners, by first-class mail, postage prepaid, no later than ten days prior to the Substitution Date. Such notice shall (1) specify the Substitution Date, (2) identify the type and issuer of the Alternate Credit Facility, if any, (3) state that from and after the Substitution Date the applicable Bonds held by the Registered Owner will cease to bear interest, (4) state that all of the applicable Bonds are subject to mandatory tender on the Substitution Date for purchase at the Purchase Price and that any such Bonds not delivered to the Trustee on the Substitution Date will be deemed to have been delivered on such Substitution Date and shall be available for purchase. Any such Bond not tendered for purchase on the Substitution Date shall be deemed to have been tendered for purchase, and shall cease to accrue interest on such date.

The Trustee shall make appropriate notation on the registration record of any Bond deemed to have been delivered and purchased, and shall give notice by mail to the Registered Owner of each Bond deemed to have been delivered that the Bond in the possession of such Registered Owner shall cease to accrue interest on the Substitution Date. The Purchase Price of any Bond deemed to have been tendered as provided above shall be paid to the Registered Owner of such Bond who has been deemed to have tendered such Bond upon the delivery of such Bond to the Trustee, but from and after the Substitution Date such Bond in the possession of such Registered Owner shall not continue to accrue interest. The Trustee may authenticate a substitute Bond or Bonds of appropriate denominations in lieu of such Bond deemed to have been delivered, and in an aggregate principal amount equal to the principal amount of the Bond deemed to have been delivered, and shall register such substitute Bond or Bonds in the name of any purchaser designated in writing by the Remarketing Agent.

(g) A Substitute Letter of Credit may consist of one or more individual letters of credit issued by a single Bank or Substitute Bank so long as all such letters of credit together satisfy all of the requirements set forth above in this Section with respect to all of the Bonds.

Section 311. Final Balances. Upon the deposit with the Trustee of moneys sufficient to pay all principal of, premium, if any, and interest on the Bonds, and upon satisfaction of all claims against the Issuer hereunder or under the Loan Agreement, including all fees, charges and expenses of the Trustee and the Issuer which are properly due and payable hereunder or under the Loan Agreement, or upon the making of provisions satisfactory to the Trustee for the payment of such amounts as permitted hereby, all moneys remaining in all Funds and Accounts, except moneys necessary to pay principal of, premium, if any, and interest on the Bonds, which moneys shall be held and disbursed by the Trustee pursuant to Section 312, and moneys in the Rebate Fund necessary to pay any Rebate Amount, shall be remitted to the Credit Providers to pay any outstanding reimbursement obligations and upon written confirmation from the Credit Providers that such obligations have been paid, to the Borrower.

Section 312. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, and if funds sufficient to pay the principal thereof and the interest accrued thereon to such date have been made available to the Trustee for the benefit of the owner thereof, the Trustee shall hold such principal and interest accrued thereon to such date without liability to the Bondowner for further interest thereon, for the benefit of the Owner of such Bond, for a period of two years from the date such Bonds shall have become due, either at maturity or upon earlier redemption, and thereafter the Trustee shall remit those funds in accordance with the laws of the State governing unclaimed property. In the event the laws of the State should require by law other action to be taken by the Trustee, then the Trustee shall comply with such law and this section shall be deemed amended. After the payment in accordance with the laws of the State as herein provided, the Trustee's liability for payment to the Owner of such Bond shall forthwith cease, terminate and be completely discharged, and thereafter the Owner shall be restricted exclusively to his or her rights of recovery, if any, under the laws of the State governing unclaimed property.

Section 313. Alternate Credit Facility. The Borrower may, at the times permitted by Section 310(a), provide the Trustee with an Alternate Credit Facility meeting the applicable requirements (other than the form of Credit Facility) of Section 310 with respect to a Substitute Letter of Credit provided pursuant to Section 310. The Bonds so affected shall be subject to mandatory tender for purchase in accordance with Section 310(f).

The Issuer and the Trustee may enter into a Supplemental Indenture in accordance with Article X to provide for the substitution of such Credit Facility.

Section 314. Termination or Expiration of Credit Facility; Unenhanced Bonds.

(a) The Borrower may, at the times permitted by Section 310(a), cause a Subseries of Bonds to be subject to mandatory tender for purchase in order to terminate an existing Credit Facility with respect thereto in accordance with the terms of such Credit Facility; provided, that (i) such existing Credit Facility provides for a draw in an amount necessary to pay the purchase price, including any accrued interest, of such Bonds on the mandatory tender date selected by the Borrower, and (ii) such Bonds will be remarketed by the Remarketing Agent with an Alternate Credit Facility or, for Bonds to be remarketed at other than Variable Rates, with no Credit Facility, provided the Bonds so remarketed are in compliance with Section 212 hereof. The Bonds so affected shall be subject to mandatory tender for purchase in accordance with Section 310(f).

(b) The applicable Bonds shall be subject to mandatory tender for purchase in whole on the latest regularly scheduled Interest Payment Date that is at least five Business Days prior to the stated expiration date of a Credit Facility if (1) either (A) the Borrower does not cause to be delivered to the Trustee at least 30 days prior to such Interest Payment Date an extension of the then-current Credit Facility or an irrevocable commitment for an Alternate Credit Facility satisfying the requirements of Section 310(d) or 313 or (B) after the delivery of the irrevocable commitment described in clause (A) hereof, the Borrower does not cause to be delivered to the Trustee such Alternate Credit Facility, together with the documents required by Section 310 or 313 hereof, on or prior to the 15th calendar day prior to such regularly scheduled Interest Payment Date, and (2) the Borrower fails to initiate a mandatory tender for purchase pursuant to Section 314(a) on or prior to the 15th calendar day prior to such regularly scheduled Interest Payment Date. Such Bonds may thereafter be remarketed by the Remarketing Agent with an Alternate Credit Facility or with no Credit Facility, provided the Bonds so remarketed are in compliance with Section 212 hereof. The Bonds so affected shall be subject to mandatory tender for purchase in accordance with Section 310(f).

(c) The Trustee is authorized to enter into a Supplemental Indenture in accordance with Article X to provide for the substitution of such Alternate Credit Facility or the termination or expiration of any Credit Facility.

Section 315. Annual Sweep of Excess Funds. Amounts on deposit in the Debt Service Fund on the July 1 Interest Payment Date of each year shall be transferred by the Trustee to the Borrower following (1) the honoring of the draw on the Credit Facilities with respect to payments of principal and interest on the Bonds, (2) the payment of such principal of and interest on the Bonds when due and payable and (3) the payment of all fees, expenses and indemnities due and payable to the Trustee and the Issuer.

Section 316. Administrative Agent. The initial Administrative Agent shall be Bank of America, N.A. The Administrative Agent may resign upon thirty (30) days' written notice to the Trustee, the Borrower, the Issuer and each Credit Provider. From time to time, the Credit Providers may unanimously appoint a financial institution or other Person as a successor Administrative Agent by delivering to the Trustee, the Issuer and the Borrower a written appointment signed by each Credit Provider and the successor Administrative Agent. If at any time no financial institution or other Person has been appointed as Administrative Agent, the Credit Provider providing credit enhancement for the greatest principal amount of Bonds Outstanding shall be automatically deemed to be the Administrative Agent with full power and authority to act as the Administrative Agent under this Indenture.

ARTICLE IV PURCHASE AND REMARKETING OF BONDS

Section 401. Remarketing Agent. The Issuer shall, with the consent of the Borrower and the applicable Credit Provider, appoint a Remarketing Agent for each subseries of the Bonds, subject to the conditions set forth in Section 402, pursuant to the Remarketing Agreement. The initial Remarketing Agent for the Bonds shall be Citigroup Global Markets Inc. Each Remarketing Agent shall designate to the Trustee its principal office and signify its acceptance of the duties and obligations imposed upon it hereunder by execution of a Remarketing Agreement. Each Remarketing Agent shall, and shall agree in the Remarketing

Agreement to, do each of the following with respect to the subseries of Bonds for which it has been appointed as Remarketing Agent:

- (a) act as agent for the Borrower in the remarketing of tendered Bonds;
- (b) notify the Trustee, the Borrower and the applicable Credit Provider of the interest rates determined in accordance with Section 202, and make such other notifications as may be required by the Remarketing Agreement, each such notification to be in writing or by telecopier, email or other communication device acceptable to the parties which produces a written record thereof, or by telephone confirmed within one Business Day by any such written communication;
- (c) keep such books and records as shall be consistent with prudent industry practice and make such books and records available for inspection by the Issuer, the Trustee and the Borrower and their agents at all reasonable times;
- (d) perform the duties and comply with the provisions set forth in Sections 402 through 405, inclusive; and
- (e) upon request of the Issuer, the applicable Credit Provider, the Borrower or the Trustee, furnish from time to time copies of its financial statements as filed with the Securities and Exchange Commission or the National Association of Securities Dealers, Inc.

Section 402. Qualifications of Remarketing Agent.

- (a) Any successor Remarketing Agent must (i) be a national banking association or a member of the National Association of Securities Dealers, Inc., (ii) have a capitalization of at least \$100,000,000, (iii) remarket not less than \$1,000,000,000 of other tax exempt obligations at the time of executing a Remarketing Agreement, unless this requirement is waived in writing by the City, and (iv) be authorized by law to perform all the duties imposed upon it by this Indenture and such Remarketing Agreement.
- (b) Each Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 60 days' written notice to the Issuer, the Borrower, the applicable Credit Provider and the Trustee and satisfying the other applicable requirements of the Remarketing Agreement.
- (c) Each Remarketing Agent may be removed at any time, and a successor Remarketing Agent appointed at the request of the Borrower or the applicable Credit Provider, upon delivery to the Trustee, the Issuer and such Remarketing Agent of an instrument requesting such removal and appointment signed by the requesting entity. If such removal and appointment is requested by the Borrower, the Credit Provider's and the Issuer's written approval (which shall not be unreasonably such) shall be required. If such removal and appointment is requested by such Credit Provider, the Borrower's and the Issuer's written approval (which shall not be unreasonably withheld) shall be required. Within 30 days after receipt of such filing, the Trustee shall confirm in writing to the successor Remarketing Agent, such Credit Provider, the Borrower and the Issuer that such removal has been approved and the successor Remarketing Agent has been appointed. No removal of a Remarketing Agent shall be effective until a successor is appointed and has accepted such appointment.

(d) If a Remarketing Agent fails to remarket the applicable Bonds in accordance with the Remarketing Agreement, the Borrower has the right to immediately remove such Remarketing Agent and appoint a successor; provided, that the Issuer and the applicable Credit Provider must affirm such selection within three Business Days of receipt of notice provided by the Borrower of such selection. Failure to affirm within three Business Days of receipt of such notice shall be deemed approval. If such Credit Provider or the Issuer objects to the selection, the Borrower shall select another Remarketing Agent subject to the same approval process; provided, however, that the prior Remarketing Agent shall continue to serve as Remarketing Agent pending selection of a successor.

(e) In the event of the resignation or removal of a Remarketing Agent, such Remarketing Agent shall pay over, assign and deliver any moneys and Bonds held by it in such capacity to its successor.

(f) The Trustee shall provide notice to the Bondowners and the applicable Credit Provider of any appointment of any successor Remarketing Agent.

Section 403. Remarketing of Bonds. Except as provided in the following paragraph of this Section 403, upon delivery of a Tender Notice to the Remarketing Agent in accordance with Sections 202(f), 202(h), 310(f), 313 or 314, or upon notice to the Remarketing Agent of a mandatory tender of Bonds hereunder, the Remarketing Agent shall offer for sale and use its best efforts to sell such Bonds, any such sale to be made on the Demand Date, at a price equal to the Purchase Price; provided that Bonds may not be remarketed to the Issuer, the Borrower, any guarantor, partner or member of the Borrower or an affiliate of the Borrower and may not be remarketed if an Event of Default has occurred and is continuing. If Bonds are in book-entry form, the Remarketing Agent shall give fax or Electronic Notice, promptly confirmed by mailing such notice, to the Trustee, by [4:00 p.m.], New York City time, one Business Day before the Demand Date in the case of Weekly Rate Bonds or Term Rate Bonds and by [12:00 p.m.], New York City time, on the Demand Date in the case of Daily Rate Bonds or Flexible Rate Bonds (the "Remarketing Date"), specifying the names, addresses, and taxpayer identification numbers of the purchasers of, and the principal amount and denominations of, such Bonds, if any, for which it has found purchasers as of such Remarketing Date and the Purchase Price at which the Bonds are to be sold (which shall be at least par and which shall include accrued interest to the Demand Date). If Bonds are in certificated form, the Remarketing Agent shall give fax or Electronic Notice, promptly confirmed by mailing such notice, to the Trustee, by [4:00 p.m.], New York City time, two Business Days before the Demand Date in the case of any Bonds subject to mandatory or optional tender for purchase (the "Remarketing Date"), specifying the names, addresses, and taxpayer identification numbers of the purchasers of, and the principal amount and denominations of, such Bonds, if any, for which it has found purchasers as of such Remarketing Date and the Purchase Price at which the Bonds are to be sold (which shall be at least par and which shall include accrued interest to the Demand Date). The Bonds shall not be in certificated form while bearing interest at Daily Rates or Flexible Rates. The Remarketing Agent shall instruct such purchasers to deliver to it, on or before the Demand Date, in same day funds, the amount required to purchase such Bonds. Upon receipt by the Trustee of such amount from the Remarketing Agent pursuant to the Remarketing Agreement and, if the Bonds are in certificated form, receipt by the Trustee, pursuant to Sections 202(f), 202(h), 310(f), 313 or 314 of the Bonds to be purchased on such Demand Date in good form for delivery, the Trustee, as Bond Registrar, shall transfer the registered ownership of the Bonds to the respective purchasers, and will deliver such Bonds for such transfer and delivery to the transferee. The Trustee shall remit the Purchase Price of such Bonds to the tendering

Bondowner or Bondowners entitled to the same as provided in Sections 202(f), 202(h), 310(f), 313 or 314.

If any purchaser that has been identified by the Remarketing Agent to the Trustee shall fail to pay the Purchase Price for any Bonds prior to [10:00 a.m.], New York City time, on the Demand Date, the Remarketing Agent is not obligated to accept delivery of that amount.

Section 404. Purchase of Bonds Not Remarketed. In the event that a Tender Notice has been given or a mandatory tender has been declared, the Remarketing Agent shall deliver to the Trustee no later than [12:00 p.m.], New York City time, on the Demand Date funds received from the remarketing of Bonds and the Trustee shall on the Demand Date with respect to Daily Rate Bonds or Flexible Rate Bonds and on the Demand Date with respect to Weekly Rate Bonds and Term Rate Bonds, within the time required by Section 309(c), draw on the applicable Credit Facility in an amount sufficient to pay the Purchase Price of any Bond for which the Trustee is not holding the Purchase Price. If on a Demand Date the applicable Credit Provider Wrongfully Dishonors the applicable Credit Facility or a draw thereon and there are insufficient remarketing proceeds to pay the Purchase Price of the Bonds tendered for purchase, the Borrower, or STRS, on behalf of the Borrower, shall have the right to provide funds to the Trustee to pay the Purchase Price of such tendered Bonds.

On each Demand Date the Trustee shall pay to the Registered Owners thereof, as provided in Section 202(f), 202(h), 310(f), 313 or 314, or any other applicable provision hereof, but only from amounts representing remarketing proceeds transferred by the Remarketing Agent to the Trustee, draws under the applicable Credit Facility or amounts received from the Borrower or STRS, the Purchase Price of any tendered Bonds for which it has received a Tender Notice or for which a mandatory tender has been declared. Such payments shall be made first from amounts representing remarketing proceeds; second from draws under the applicable Credit Facility; and third from amounts received from the Borrower or STRS, in that order. Any amounts drawn under the applicable Credit Facility to purchase Bonds shall be used solely for such purpose. If there are excess proceeds drawn under the applicable Credit Facility that are not needed to purchase Bonds, the Trustee shall return such excess to the applicable Credit Provider. Any Bonds so purchased with amounts drawn under the applicable Credit Facility by the Trustee shall be registered as provided in Section 405. If the Bonds are in certificated form, the Trustee, as Bond Registrar, shall transfer the registered ownership of such Bonds purchased with amounts drawn under the applicable Credit Facility to the applicable Credit Provider.

Moneys held by the Remarketing Agent as remarketing proceeds upon nonpresentment of certificated Bonds shall be transferred to the Trustee and handled as unclaimed moneys pursuant to Section 312 hereof. Draws on the applicable Credit Facility shall also be invested in such manner; provided that remarketing proceeds held by the Trustee shall be held separate and apart from proceeds of draws on such Credit Facility and Seasoned Funds in special accounts established for such purpose.

Section 405. Delivery of Purchased Bonds. If Bonds are in certificated form:

(a) Bonds remarketed by the Remarketing Agent pursuant to Section 403 shall be cancelled by the Trustee, and Bonds of the appropriate subseries and in a like aggregate principal amount shall be reregistered by the Trustee in the names and shall be in Authorized Denominations set forth in the notice given to the Trustee by the Remarketing Agent pursuant to Section 403, and shall thereupon be delivered to the purchasers thereof.

(b) Bonds purchased pursuant to Section 404 with moneys derived from a draw on a Credit Facility shall not be sold by the Remarketing Agent, but shall be purchased for the account of the Borrower and delivered to or held for the benefit of the applicable Credit Provider, unless such Credit Provider provides written instructions to the Trustee to register such Bonds for the account of such Credit Provider.. Upon the written notice from the Remarketing Agent to such Credit Provider of its receipt of the Purchase Price of any Bond so held for the benefit of such Credit Provider, the Trustee shall transfer the registration thereof to the purchaser to whom such Bond has been remarketed and shall deliver the Purchase Price paid for such Bond to the Credit Provider; [provided, that no transfer of ownership from the Borrower or such Credit Provider shall occur unless and until the Trustee has received written notice from such Credit Provider that such Credit Facility has been reinstated to the Coverage Amount.]

Section 406. Dealing in Bonds. Each of the Credit Providers, the Trustee or the Remarketing Agent, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Bonds, and may join in any action that any Bondowner may be entitled to take with like effect as if it did not act in any capacity hereunder. The Trustee, the Credit Providers or the Remarketing Agent, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer, the Borrower or the Credit Providers, and may act as depositary, trustee or agent for any committee or body of Bondowners secured hereby or other obligations of the Issuer as freely as if it did not act in any capacity hereunder. It is expressly understood that the Trustee in carrying out its duties hereunder shall be acting as a conduit with respect to deliveries of Bonds for purchase and purchases pursuant to Section 404.

ARTICLE V INVESTMENT OF MONEYS

Section 501. Investment of Moneys. Moneys in all Funds and Accounts, except as provided in Sections 304, 305, 312 and 1201 or as otherwise provided herein, shall be continuously invested and reinvested by the Trustee, at the written direction of the Borrower with the Administrative Agent's consent, as practicable and as provided in this Section 501, until such time or times as said moneys shall be needed for the purposes for which they were deposited. Moneys on deposit in all Funds and Accounts may be invested only in Permitted Investments; provided, that amounts held in the Debt Service Fund representing draws on a Credit Facility, remarketing proceeds, or otherwise held in the Seasoned Funds Account (after an irrevocable call of the Bonds to be redeemed with such funds) shall be held as uninvested cash; and provided further, that amounts in the Principal Reserve Fund shall be invested and reinvested by the Trustee solely in (i) tax exempt obligations rated in the highest short term rating category by Moody's or S&P, or (ii) money market mutual funds (including mutual funds of the Trustee or its affiliates) registered under the Investment Company Act of 1940, as amended, investing solely in investments described in (i) which are rated in the highest short term rating category by each Rating Agency which, in any case, shall mature or be subject to tender or redemption at par on or prior to the earlier of (1) 35 days from the date of investment or (2) the date such moneys are needed for the purposes of the applicable Reimbursement Agreement. Except with respect to amounts held pursuant to Article XII, direct investments in Government Obligations shall have a maturity prior to the date such moneys are needed for purposes of this Indenture or otherwise, but in no event longer than 30 days. The Trustee shall have no liability or responsibility for any loss or for failure to maximize earnings resulting from any investment made in accordance with the provisions of this Section 501. The Trustee shall be entitled to

assume, absent receipt by the Trustee of written notice to the contrary, that any investment which at the time of purchase is a Permitted Investment remains a Permitted Investment thereafter.

The Trustee shall sell and reduce to cash a sufficient amount of investments in a Fund or Account whenever the cash balance therein is insufficient to pay the amounts required to be paid therefrom. The Trustee may transfer investments from any Fund or Account to any other Fund or Account in lieu of cash when a transfer is required or permitted by the provisions of this Indenture.

In computing the amount of any Fund or Account, Permitted Investments purchased as an investment of moneys therein shall be valued at the then market value of such obligations, excluding any accrued interest. If the market value of such obligations is not readily available, the Trustee shall determine the value of such obligations in any reasonable manner.

The Trustee may make any and all investments permitted by the provisions of this Section 501 through its own investment department or that of its affiliates. As and when any amount invested pursuant to this Article may be needed for disbursement, the Trustee may cause a sufficient amount of such investments to be sold and reduced to cash to the credit of such funds. The Issuer acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Issuer the right to receive brokerage confirmations of security transactions, the Issuer waives receipt of such confirmations. The Trustee shall furnish to the Issuer periodic statements which include detail of all investment transactions made by the Trustee.

Section 502. Earnings and Losses. Subject to the restrictions hereinafter set forth in this Article V, all capital gains, profits and interest earnings resulting from the investment of moneys in all Funds, including any Accounts thereof, shall be deposited into, and any loss of principal value resulting from the investment of moneys in any Fund or Account and any expenses incurred in making or disposing of investments shall be charged, when incurred, to the Fund or Account from which such investments were made.

Section 503. Certain Tax Covenants.

(a) Except as otherwise provided in subsection (b) of this Section, the Issuer covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Tax-Exempt Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value.

(b) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code and (unless valuation is undertaken at least annually) investments in the Principal Reserve Fund shall be valued at their present value (within the meaning of section 148 of the Code).

ARTICLE VI
REDEMPTION OF BONDS BEFORE MATURITY

Section 601. Limitation on Redemption. The Bonds shall be subject to redemption prior to maturity only as provided in this Article VI.

Section 602. Redemption Dates, Amounts and Prices.

(a) Mandatory Redemption. The Bonds shall be subject to mandatory redemption at a price equal to the principal amount of Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption as follows:

(i) The Bonds shall be subject to redemption in whole or in part (and if in part, in such maturities and Subseries as may be selected by the Borrower), on the first regularly scheduled Interest Payment Date on or after [_____, 20__], unless such date is extended in accordance with Section 4.2(b) of the Loan Agreement, in an amount equal to the Mortgage Loan proceeds (plus any interest earnings thereon) remaining in the Mortgage Loan Fund at the close of business on [_____, 20__] (or the fifteenth day of the second month preceding the month in which any extension of such date set for redemption ends), provided that amounts remaining in the Tax-Exempt Account of the Mortgage Loan Fund shall be used only to redeem Tax-Exempt Bonds unless an opinion of Bond Counsel is delivered to the Trustee, the Issuer and the Remarketing Agent to the effect that such redemption will not cause interest on the Tax-Exempt Bonds to become includable in gross income for federal income tax purposes.

(ii) The Tax-Exempt Bonds shall be subject to redemption (i) in an amount equal to the Outstanding Tax-Exempt Bonds, as soon as practicable following receipt by the Trustee of written notice from the Issuer, Borrower or Bond Counsel of a Determination of Taxability, or (ii) in whole or in part (and if in part, in such maturities and Subseries as may be selected by the Borrower), as soon as practicable, in order to prevent a Determination of Taxability (in the amount determined by Bond Counsel to be necessary to preserve the tax-exemption of interest on the Tax-Exempt Bonds that will remain Outstanding thereafter, if any).

(iii) After a Term Rate Conversion Date or a Fixed Rate Conversion Date with respect to a Subseries, the Bonds of such Subseries shall be subject to mandatory sinking fund redemption in accordance with the schedule, if any, to be provided to the Trustee and the Issuer by the Remarketing Agent and to become effective on such Conversion Date; provided that in all events the required amortization of Bonds of such Subseries shall be based on and consistent with the applicable Principal Reserve Schedule, if any; provided, further, the Borrower shall deliver to the Issuer, the Trustee and the Administrative Agent an Opinion of Bond Counsel to the effect that such amortization will not adversely affect the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes.

(iv) The Bonds of a Subseries shall be subject to redemption in whole or in part, on the next regularly scheduled Interest Payment Date for which notice of redemption can be given pursuant to Section 604, upon written notice to the Trustee of the determination of the Administrative Agent, in accordance with Section 5.7 of the Loan Agreement, to have the Trustee draw on the applicable Credit Facility in the amount of any net proceeds of insurance or condemnation awards in an amount not less than \$25,000 not used to repair or replace any Project or otherwise in accordance with Section 5.7 of the Loan Agreement.

(v) Upon receipt by the Trustee of written notice from the Administrative Agent or applicable Credit Provider of an "Event of Default," as defined in and under the applicable Credit Agreement and the determination by the Administrative Agent or such Credit Provider to have the Trustee draw on such Credit Facility, the Bonds of a Subseries shall be subject to redemption in whole, within thirty (30) days of the receipt of such written notice but in no event later than the first Business Day prior to the expiration or termination of the applicable Credit Facility.

(vi) The Bonds shall be subject to redemption in whole on the first regularly scheduled Interest Payment Date for which notice of redemption can be given in accordance with Section 604, following receipt by the Trustee of written notice from the Issuer of the occurrence of an Event of Default under any Regulatory Agreement, the Tax Certificate or Section 7.1(b) of the Loan Agreement and requesting redemption of the Bonds.

(vii) The Bonds of a Subseries shall be subject to redemption in whole, as soon as practicable but not later than the fifth Business Day prior to the stated expiration or termination of the applicable Credit Facility, (A) if within (i) six (6) months after a Wrongful Dishonor, or (ii) sixty (60) days after an Act of Bankruptcy of Credit Provider or a Determination of Unenforceability, the Borrower does not cause to be delivered to the Trustee an irrevocable commitment for a Substitute Letter of Credit or Alternate Credit Facility satisfying the requirements of Sections 310 or 313, respectively; provided, that upon any acceleration of the Bonds, such six-month or 60-day opportunity to avoid mandatory redemption pursuant to this subparagraph (vii) shall cease, or (B) if, after the delivery of the irrevocable commitment described in clause (A) hereof, the Borrower does not cause to be delivered to the Trustee such Substitute Letter of Credit or Alternate Credit Facility in accordance with such commitment and Section 310(c).

(viii) The Bonds of each Subseries shall be subject to redemption in part, at the written direction of the Administrative Agent (A) on each Conversion Date in an amount not greater than the amount in the applicable Principal Reserve Account on the first day of the month prior to such Conversion Date, as applicable, or (B) on any Interest Payment Date while such Bonds bear interest at a Daily Rate, a Weekly Rate or an Index Rate, in an amount not greater than the amount in the applicable Principal Reserve Account on the first day of the month prior to such Interest Payment Date.

(ix) The Bonds of each Subseries shall be subject to redemption in part, on the first Business Day of each month while such Bonds bear interest at Variable Rates in an amount equal to the amount, if any, which is available to be applied to the redemption of Bonds pursuant to Section 308(g).

(b) Optional Redemption.

(i) Variable Rate Bonds and Index Rate Bonds are subject to redemption, in whole or in part, without premium, on any Business Day, at a price equal to the principal amount redeemed plus interest to the redemption date, upon no less than 30 days' prior written notice given to the Trustee by the Borrower and approved by the applicable Credit Provider (with a copy to the Issuer and the Remarketing Agent) in advance of such date.

(ii) Flexible Rate Bonds and Term Rate Bonds are subject to redemption, in whole or in part, without premium, on the day following the end of any Flexible Rate Period or Term Rate Period, at a price equal to the principal amount redeemed plus

interest to the redemption date, upon no less than 30 days' prior written notice given to the Trustee by the Borrower and approved by the applicable Credit Provider (with a copy to the Issuer and the Remarketing Agent) in advance of such date.

(iii) Upon and after the Fixed Rate Conversion Date for a Subseries, the Bonds of such Subseries may be redeemed upon 45 days' prior written notice from the Borrower to the Trustee (with copy to the Issuer) in part on July 1 or December 1 or in whole on any Business Day, at a redemption schedule to be determined by the Remarketing Agent at the time of Conversion, provided, that the Trustee must receive (a) the written consent to the redemption schedule from the provider of the applicable Letter of Credit or Alternate Credit Facility to be in effect while the Bonds of such Subseries are at a Fixed Rate, and (b) an Opinion of Bond Counsel addressed to the Issuer, the Trustee and the Remarketing Agent to the effect that such change will not adversely affect the exclusion from gross income for federal income tax purposes of the interest payable on the Tax-Exempt Bonds.

The Trustee shall give notice to Bondowners of any optional redemption of Bonds in accordance with Section 604; provided, that (i) the requirements of Section 5.4 of the Loan Agreement have been met, (ii) the applicable Credit Provider has given its written consent if the applicable Credit Facility is to be drawn upon to pay the principal portion of the prepayment and (iii) if a premium is required and is not payable with proceeds of a draw on such Credit Facility in accordance with its terms or the principal portion of the prepayment is not to be made from proceeds of such Credit Facility, the Trustee shall have Seasoned Funds on deposit to pay such principal and/or premium prior to giving such notice. Conditional notice may be given. Such notice may be rescinded by the Trustee if funds are not or will not be available on the date fixed for redemption.

Section 603. Partial Redemption. All or a portion of any Bond may be redeemed, but only if the unredeemed portion is in a principal amount equal to an Authorized Denomination. Unless otherwise directed by the Borrower, the Trustee shall select the Bonds of a subseries to be redeemed, first from among Bank Bonds of such subseries, if any, until no Bank Bonds of such subseries remain Outstanding. The Trustee shall provide notice of the redemption of Bonds to DTC in accordance with the Letter of Representations.

In the event that fewer than all Bonds Outstanding are to be redeemed while the Bonds are at other than a Fixed Rate, the Trustee shall consider each \$5,000 of principal of a Bond in excess of the minimum Authorized Denomination of principal as a separate bond for purposes of selection and shall select the necessary number of \$5,000 principal portions for redemption in a random manner. In the event that following this method of selecting portions of Bonds for redemption all Bonds are at the minimum Authorized Denomination and an additional amount of less than the minimum Authorized Denomination is to be redeemed, the Trustee shall select a Bond from among the remaining Bonds and redeem that single Bond in part so that following such redemption such Bond will be in an outstanding principal amount of less than the minimum Authorized Denomination, but only if the principal amount of such Bond is in a multiple of \$5,000. No more than one Bond may have a principal amount of less than the minimum Authorized Denomination at any time. In the event that fewer than all of the Bonds Outstanding are to be redeemed while the Bonds are at a Fixed Rate, the Trustee shall select Bonds to be redeemed in accordance with written instructions contained in a Supplemental Indenture or otherwise provided to the Trustee and the Issuer by the Remarketing Agent and approved by the Borrower on the Fixed Rate Conversion Date. If Bank Bonds are to be called, the Trustee shall provide notice of such selection to DTC in accordance with the Letter of Representations.

Upon surrender of any Bond for redemption in part, the Issuer shall execute and the Trustee shall authenticate and deliver to the owner thereof a new Bond or Bonds of Authorized Denominations of the same maturity and in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Section 604. Notice of Redemption. For so long as the Bonds are held in book-entry form, notices of redemption shall be given by the Trustee solely in accordance with the Letter of Representations. The Trustee shall give notice of redemption pursuant to this Article VI not less than 30 days and not more than 40 days prior to the date fixed for redemption; except for notice of redemption pursuant to Section 602(a)(ii), 602(a)(vii), 602(b)(i) or 602(b)(ii), which shall be given not less than 10 days prior to the date fixed for redemption, and Section 602(a)(v) which shall be given as soon as practicable, but in no event later than the date fixed for redemption (which notice shall be deemed given when mailed). All notices of redemption pursuant to Section 602 shall be sent by first-class mail, postage prepaid, to the applicable Credit Provider, the Issuer, the Borrower, the Remarketing Agent and the Registered Owner of each Bond to be redeemed at the address of such Owner as shown on the Bond Register; provided, however, that no such notice of redemption shall be mailed unless on or prior to the date of mailing the Trustee (i) has the authority to make a draw on the applicable Credit Facility in an amount sufficient to pay principal of, premium, if any, and interest on such Bonds on the dates set for redemption to redeem such Bonds or (ii) has such authority with respect to principal and interest and subject to Section 602(b), has received and has on deposit Seasoned Funds in an amount sufficient to pay the premium, if any, due upon such redemption. Neither the failure of a Bondowner to receive notice by mail nor any defect in any notice so mailed shall affect the validity of the proceedings for such redemption. Such notice shall state the redemption date, the redemption price, the amount of accrued interest payable on the redemption date, the premium, if any, the place at which the Bonds are to be surrendered for payment, that from the redemption date interest on the Bonds to be redeemed will cease to accrue, and, if less than all of the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice mailed as provided in this Section 604 shall be conclusively presumed to have been duly given, whether or not the Bondowner receives such notice.

The Trustee shall provide additional notice of redemption to Bondowners in the event Bonds are not presented for payment within sixty (60) days of the date fixed for redemption.

Notice may be given on a conditional basis.

Section 605. Payment Upon Redemption. Upon presentation and surrender of any such Bonds at the Principal Office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the principal of, premium, if any, and interest on such Bonds to the extent of moneys received for such purpose.

Section 606. Effect of Redemption.

(a) Notice of redemption having been given as provided in Section 604, the Bonds or portions thereof designated for redemption shall become due and payable on the date fixed for redemption and, unless the Issuer defaults in the payment of the principal thereof, premium, if any, and interest thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption whether or not such Bonds are presented and surrendered for payment on such date. If any Bond or portion thereof called for redemption is not so paid upon presentation and surrender thereof for redemption, such Bond or portion

thereof shall continue to bear interest at the rate set forth thereon until paid or until due provision is made for the payment of same.

(b) If the Bonds are redeemed pursuant to Section 602(a)(iv) and the Trustee holds any proceeds of insurance or condemnation awards, the Trustee shall, as soon as practicable following such redemption, remit to the Borrower any such insurance or condemnation proceeds that have not been used to first reimburse the applicable Credit Providers for payment of a draw on the applicable Credit Facilities to redeem the Bonds and then to redeem the Bonds.

Section 607. Purchase of Bonds. The Issuer reserves the right to direct the Trustee to acquire Bonds in the open market from amounts on deposit in the applicable Accounts of the Debt Service Fund at a price that is not more than the amount required to redeem such Bonds on the next applicable redemption date with respect thereto. Unless the Issuer expressly directs the Trustee to cancel Bonds purchased in accordance with this Section 607, it is the intention of the Issuer that the purchase of Bonds pursuant to this Section 607 shall not constitute a merger or extinguishment of the indebtedness of the Issuer evidenced by the Bonds so purchased or of the indebtedness of the Borrower under the Mortgage Loan.

Section 608. Special Purchase in Lieu of Redemption.

(a) Purchase Option. If all Outstanding Bonds of a Subseries are called for redemption in whole under (i) Section 602(a)(v) due to an Event of Default under a Reimbursement Agreement, or (ii) Section 602(a)(vii)(B) due to the failure to deliver a Substitute Letter of Credit or Alternate Credit Facility, such Bonds may, in lieu of such redemption, be purchased ("Special Purchase Bonds") by the Trustee, at the written direction of the applicable Credit Provider to the Trustee. Any Bonds purchased pursuant to this Section 6.08 shall be (i) registered in the name of or for the account of the applicable Credit Provider, or (ii) upon notice from such Credit Provider to the Trustee with respect to book-entry Bonds, registered in the name of the book-entry depository (or in such depository's street name) for the account of the Borrower, but with such Credit Provider as pledgee thereof. Any purchase of Bonds pursuant to this Section 608 shall be in whole and not in part. Such purchase shall be made on the date the Bonds are otherwise scheduled to be redeemed (the "Special Purchase Date"). The purchase price of the Special Purchase Bonds shall be equal to the principal amount of the Special Purchase Bonds plus accrued interest, if any, to the purchase date. The payment source for Special Purchase Bonds shall consist solely of funds to be advanced by the applicable Credit Provider under the applicable Credit Facility.

(b) Special Purchase Bonds. Bonds to be purchased under Section 608(a) which are not delivered to the Trustee on the Special Purchase Date shall be deemed to have been so purchased and not redeemed on the Special Purchase Date and shall cease to accrue interest to the former owner on the Special Purchase Date. Special Purchase Bonds shall be (i) registered in the name of or for the account of the applicable Credit Provider, or (ii) upon notice from the applicable Credit Provider to the Trustee with respect to book-entry Bonds, shall be registered in the name of the book-entry depository (or in such depository's street name) for the account of the Borrower, but with such Credit Provider as pledgee thereof. Following such purchase, such Credit Provider shall be the owner of such Bonds for all purposes under this Indenture and interest accruing on such Bonds from and after the Special Purchase Date shall be payable solely to such Credit Provider. Notwithstanding anything herein to the contrary, the Special Purchase Bonds shall be deemed paid and redeemed on the date that is twelve months

after the Special Purchase Date unless the Issuer agrees in writing to extend the period during which Special Purchase Bonds may remain Outstanding.

(c) Notice. Notice of the election by a Credit Provider to purchase Bonds otherwise called for redemption under Section 608(a) shall be delivered in writing to the Trustee, the Remarketing Agent, the Borrower, the Issuer and the Rating Agency no later than two Business Days prior to the date otherwise scheduled for redemption of the Bonds.

(d) Bonds Remain Outstanding. It is the intention of the Issuer that the purchase of Bonds pursuant to this Section 608 shall not constitute a merger or extinguishment of the indebtedness of the Issuer evidenced by the Bonds so purchased or of the indebtedness of the Borrower under the Mortgage Loan. Special Purchase Bonds shall for all purposes be regarded as Outstanding under this Indenture, except as otherwise expressly provided in this Section 608 and in this Indenture. Upon the purchase of any Bond pursuant to this Section 608, the notice of redemption previously given with respect to such Bond shall be deemed to be a notice of mandatory tender of such Bond.

The Special Purchase Bonds shall be remarketed by the Remarketing Agent upon receipt by the Trustee and the Remarketing Agent of notice from the applicable Credit Provider that the Credit Facility has been reinstated or upon receipt of one or more Substitute Letters of Credit meeting the requirements of Section 310.

(e) Limitations on Transfer of Bonds. Notwithstanding anything to the contrary herein, Special Purchase Bonds may not be transferred to another Registered Owner without the written approval of the Issuer. Any approved transfer must be of all of the Outstanding Special Purchase Bonds to a single Registered Owner that is an Approved Transferee.

ARTICLE VII PAYMENT; FURTHER ASSURANCES

Section 701. Payment of Principal or Redemption Price of and Interest on Bonds. The Issuer shall promptly pay or cause to be paid the principal or redemption price of and the interest on the Bonds when due, but shall be required to make such payment or cause such payment to be made only out of Revenues.

The Issuer hereby designates the Principal Office of the Trustee as the principal place of payment for the Bonds, and the Trustee as paying agent for the Bonds, such appointment and designation to remain in effect until notice of change is filed with the Trustee pursuant to the terms of this Indenture.

Section 702. Power to Issue Bonds and Make Pledge and Assignment. The Issuer is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Trust Estate in the manner and to the extent provided in this Indenture and hereby does pledge and assign to the Trustee all Revenues and all other rights to the Mortgage Loan Documents to the extent set forth in the Granting Clauses hereof. The Bonds and the provisions of this Indenture are and will be legal, valid and binding special, limited obligations of the Issuer in accordance with their terms, and the Issuer and Trustee (subject to the limitations contained in this Indenture including Section 901(g)) shall at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of the Trust Estate and all the rights of the Bondowners under this Indenture against all claims and demands of all Persons

whatsoever, and the Issuer will take all necessary steps to preserve the exemption from taxation of interest on the Tax-Exempt Bonds; provided, that the Trustee may rely on the written investment instructions of the Borrower approved by the Administrative Agent.

Section 703. Further Assurances. Except to the extent otherwise provided in this Indenture, the Issuer shall not enter into any contract or take any action by which the rights of the Trustee or the Bondowners may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be reasonably necessary or proper to carry out the purposes of this Indenture.

Section 704. Immunities and Limitations of Responsibility of Issuer. The Issuer shall be entitled to the advice of Counsel (who, except as otherwise provided herein, may be counsel for any Bondowner), and the Issuer shall be wholly protected as to action taken or omitted in good faith (which shall not include actions taken or omitted that constitute gross negligence or willful misconduct) in reliance on such advice. The Issuer may rely conclusively on any communication or other document furnished to it hereunder and reasonably believed by it to be genuine. The Issuer shall not be liable for any action (a) taken by it in good faith and reasonably believed by it to be within its discretion or powers hereunder, or (b) in good faith omitted to be taken by it because such action was reasonably believed to be beyond its discretion or powers hereunder, or (c) taken by it pursuant to any direction or instruction by which it is governed hereunder, or (d) omitted to be taken by it by reason of the lack of any direction or instruction required hereby for such action; nor shall it be responsible for the consequences of any error of judgment reasonably made by it. The Issuer shall in no event be liable for the application or misapplication of funds or for other acts or defaults by any Person, except for the negligence or willful misconduct of its own members, agents, officers and employees. When any payment or consent or other action by it is called for hereby, it may defer such action pending receipt of such evidence (if any) as it may require in support thereof. The Issuer shall not be required to take any remedial action (other than the giving of notice) unless indemnity in a form acceptable to the Issuer is furnished for any cost or liability to be incurred in connection with such remedial action, other than liability for failure to meet the standards set forth in this Section. As provided herein and in the Loan Agreement, the Issuer shall be entitled to reimbursement for its costs reasonably incurred or advances reasonably made, with interest at the rate of 1.5% per month, in the exercise of its rights or the performance of its obligations hereunder, to the extent that it acts without previously obtaining indemnity. No permissive right or power to act which it may have shall be construed as a requirement to act; and no delay in the exercise of a right or power shall affect its subsequent exercise of the right or power.

Section 705. Additional Instruments. The Issuer shall cause this Indenture or a financing statement or other similar document relating thereto to be filed in such manner and at such places as may be required by law, if any, to protect the right, title and interest of the Trustee in and to the Trust Estate or any part thereof. From time to time, the Trustee may but shall not be required to obtain an opinion of Counsel as an extraordinary expense setting forth what, if any, actions by the Issuer or the Trustee should be taken to preserve the lien of this Indenture upon the Trust Estate or any part thereof. The Issuer shall execute or cause to be executed any and all further instruments (including UCC continuation statements, if applicable) as may be required by law or as shall reasonably be requested by the Trustee for such protection of the interests of the Trustee and the Bondowners, and shall furnish satisfactory evidence to the Trustee of filing and refiling of such instrument and of every additional instrument which shall be necessary to preserve the lien of this Indenture upon the Trust Estate or any part thereof until the principal of, premium, if any, and interest on the Bonds issued hereunder shall have been paid. The Trustee and the Issuer shall, if necessary, execute or join

in the execution of any such further or additional instruments and file or join in the filing thereof at such time or times and in such place or places as it may be advised by an opinion of Counsel will preserve the lien of this Indenture upon the Trust Estate or any part thereof until the aforesaid principal, premium, if any, and interest shall have been paid.

Section 706. Extension of Payment of Bonds. The Issuer shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any interest thereon, and in case the maturity of any of the Bonds or the time of payment of interest shall be extended, such Bonds shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of and interest on all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this section shall be deemed to limit the right of the Issuer to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 707. Encumbrances; Cross Default. Neither the Issuer nor the Trustee shall create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Trust Estate or the Mortgage Loan Documents while any of the Bonds are Outstanding, except the pledge and assignment (if any) created or to be created by this Indenture, the Regulatory Agreement, and the Deed of Trust, without the prior written consent of the Administrative Agent; provided, that with the prior written consent of the Administrative Agent, any subsequent subordinate or parity financing may be cross-defaulted with the Bonds so long as a default will not cause a discharge or termination of the Regulatory Agreement. Subject to this limitation, the Issuer expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, and reserves the right to issue other obligations for such purposes.

Section 708. Payment of Taxes and Claims. The Issuer shall pay or cause the Trustee to pay, but only out of funds, if any, made available by or on behalf of the Borrower expressly for such purposes, any property taxes, assessments or other governmental charges that may be lawfully imposed upon the Trust Estate, when the same shall become due if not paid by the Borrower, as well as any lawful claim which, if unpaid, might by law become a lien or charge upon the Trust Estate or which might impair the security of the Bonds.

Section 709. Mortgage Loan Documents. The Mortgage Loan Documents set forth certain covenants and obligations of the Issuer, the Trustee and the Borrower and reference is hereby made to such documents for a detailed statement of such covenants and obligations. If (i) any of the Bonds remain outstanding or (ii) any obligations of the Borrower under any Credit Agreement remain undischarged and the applicable Credit Provider is not in default under such Credit Facility, the Issuer and the Trustee shall each faithfully and punctually perform and observe all obligations and undertakings on its part to be performed and observed under the Mortgage Loan Documents.

The Issuer and the Trustee shall each take no action, shall permit no action to be taken by others within its control and shall not knowingly omit to take any action, which action or omission might release the Borrower from its liabilities or obligations under the Mortgage Loan Documents or a Credit Provider from its obligations under its Credit Facility or result in the surrender, termination, amendment or modification of, or impair the validity of, such documents.

The Issuer covenants to enforce diligently, to the extent it is entitled so to do, all covenants, undertakings and obligations of the Borrower under the Mortgage Loan Documents and of the Credit Providers under each Credit Facility, and, subject to the following sentence,

hereby authorizes and directs the Trustee, as assignee of the Issuer, to enforce or cause to be enforced any and all of its rights under the Mortgage Loan Documents and each Credit Facility on behalf of the Issuer and the Owners of the Bonds, subject to the terms of the Deed of Trust and the Bond Intercreditor Agreement. The Issuer reserves the right to enforce its rights under the Regulatory Agreement; provided, that the Trustee is authorized to enforce such rights in accordance with the terms of the Regulatory Agreement so long as Bonds are Outstanding. Notwithstanding the foregoing, the Trustee and the Issuer agree that the Administrative Agent shall be entitled to direct the Trustee's enforcement and exercise of any approval or other rights granted by the Issuer to the Trustee in this paragraph with respect to any Bonds (but expressly excluding from this assignment any Unassigned Rights and any rights under the Credit Facilities, the Regulatory Agreement, the Continuing Disclosure Agreement, the Bond Purchase Agreement and the Tax Certificate) for so long as and on the condition that (i) there has been no Wrongful Dishonor under any applicable Credit Facility, and (ii) no Determination of Unenforceability of any applicable Credit Facility has occurred; provided, however, that the Administrative Agent shall be entitled to direct the Trustee's enforcement and exercise of any approval or other rights granted by the Issuer to the Trustee in this paragraph with respect to any Bonds with respect to which the applicable Credit Provider has made unreimbursed payments of any principal or Purchase Price of, or interest on, such Bonds, notwithstanding any subsequent failure to satisfy either of the conditions described in the foregoing clauses (i) or (ii).

If the Bonds have been paid in full but any of the Borrower's obligations under a Credit Agreement remain undischarged, this Indenture shall remain in effect to continue to secure any such undischarged obligations provided that the applicable Credit Provider is not in default under such Credit Facility. In such event, such Credit Provider shall become subrogated to the Issuer's and the Trustee's rights under the Mortgage Loan Documents, and the Issuer and the Trustee agree to execute, deliver and file, at such Credit Provider's expense, such assignments, agreements and other instruments as may be appropriate to effectuate such subrogation. In such event, in addition to such subrogation, at such Credit Provider's request, the Issuer and the Trustee shall assign their respective rights under the Mortgage Loan Documents (other than any Unassigned Rights and any rights under such Credit Facility, the Regulatory Agreement, the Continuing Disclosure Agreement, the Bond Purchase Agreement and the Tax Certificate) to such Credit Provider and agree to execute, deliver and file, at such Credit Provider's expense, such assignments, agreements and other instruments as may be appropriate to effectuate such assignment.

Subject to the provisions hereof, the Trustee hereby acknowledges, accepts and agrees to the terms, conditions, appointments and agencies of the Loan Agreement as they relate to it and its participation in the transactions contemplated thereby.

The Trustee shall retain possession of the executed originals of (i) the Mortgage Loan Documents on behalf of the Issuer and the Credit Providers, and (ii) each Credit Facility on behalf of the Issuer, and shall release the same only in accordance with the provisions thereof. The Mortgage Loan Documents and each Credit Facility shall be available for inspection at reasonable times during regular business hours, under reasonable conditions, by the Issuer, the Administrative Agent, the Remarketing Agent, the Borrower and any Owner of any Bond.

The obligations of the Trustee under this Section 709 are subject to the Trustee's rights to compensation, reimbursement and indemnification under Article IX.

Section 710. List of Bondowners. The Trustee, as the Bond Registrar, will keep on file in the Bond Register a list of names and addresses of all Bondowners registered in the Bond

Register together with the principal amount and numbers of such Bonds. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Issuer, the Administrative Agent, the underwriter of the Bonds, the Remarketing Agent or by any Owner of Bonds then Outstanding (or a designated representative thereof), such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

Section 711. Compliance With Indenture, Contracts. The Issuer and the Trustee shall faithfully observe and perform all the covenants, conditions and requirements of this Indenture, shall not issue any Bonds in any manner other than in accordance with this Indenture, and shall not suffer or permit any default to occur hereunder or do or permit to be done anything that might in any way weaken, diminish or impair the security intended to be given pursuant to this Indenture except as specifically permitted herein. Subject to the limitations and consistent with the covenants, conditions and requirements contained in this Indenture, the Bond Intercreditor Agreement and the Deed of Trust, the Issuer and the Trustee shall comply with the express terms, covenants and provisions of all contracts concerning or affecting the application of proceeds of the Bonds or Revenues to which they are a party, respectively.

Section 712. Maintenance of Powers. As long as any of the Bonds are Outstanding, the Issuer shall use its best efforts to preserve its existence under the Act, and will not be dissolved or lose its right to exist as such or lose any rights necessary to enable it to function and to maintain the Revenues. The Issuer shall at all times use its best efforts to maintain the powers, functions, duties and obligations now reposed in it pursuant to law, or assure the assumption of its obligations under the Loan Agreement and this Indenture by any corporation or political subdivision succeeding to its powers, and will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to hinder, delay or imperil either the payment of the indebtedness evidenced by any of the Bonds or the observance of any of the covenants herein contained.

Section 713. Opinions of Bond Counsel. Whenever Bond Counsel renders an opinion to the effect that some action taken in accordance with this Indenture does not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds, the opinion shall be addressed to the Issuer, the Trustee and the Remarketing Agent.

Section 714. Tax Covenants. The Issuer covenants to and for the benefit of the Beneficial Owners of the Tax-Exempt Bonds, notwithstanding any other provisions of this Indenture or of any other instrument, as follows:

(a) Regulatory Agreement. The Issuer shall enforce or cause to be enforced all obligations of the Borrower under the Regulatory Agreement in accordance with its terms and seek to cause the Borrower to correct any violation of the Regulatory Agreement within a reasonable period after any such violation is first discovered by the Issuer, to the extent necessary in order to assure that interest paid by the Issuer on the Tax-Exempt Bonds will be excluded from the gross income of the Beneficial Owners of the Tax-Exempt Bonds, for federal income tax purposes, pursuant to Section 103 of the Code, except in the event where any Beneficial Owner of the Tax-Exempt Bonds or a portion thereof is a "substantial user" of the facilities financed with the Tax-Exempt Bonds or a "related person" within the meaning of Section 147(a) of the Code;

(b) Qualified Residential Rental Project Exempt Facility Bonds. The Issuer shall assure that the proceeds of the Tax-Exempt Bonds are used in a manner such that the Tax-

Exempt Bonds will satisfy the requirements of section 142(d) of the Code relating to qualified residential rental projects.

(c) Federal Guarantee Prohibition. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Tax-Exempt Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(d) Rebate Requirement. The Issuer shall 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 Tax-Exempt Bonds.

(e) No Arbitrage. The Issuer shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Tax-Exempt 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 Tax-Exempt Bonds would have caused the Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

(f) Maintenance of Tax-Exemption. The Issuer shall take all actions necessary to assure the exclusion of interest on the Tax-Exempt Bonds from the gross income of the Beneficial Owners of the Tax-Exempt 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 Tax-Exempt Bonds.

(g) Private Activity Volume Cap. The Tax-Exempt Bonds upon issuance and delivery shall be considered "private activity bonds" within the meaning of the Code with respect to which the California Debt Limit Allocation Committee has transferred a portion of the State of California's private activity bond allocation (within the meaning of section 146 of the Code) equal to the principal amount of the Tax-Exempt Bonds.

(h) Limitation on Issuance Costs. The Issuer covenants that, from the proceeds of the Tax-Exempt Bonds and investment earnings thereon, an amount not in excess of two percent (2%) of the proceeds of the Tax-Exempt Bonds will be used for costs of issuance of the Tax-Exempt Bonds, all within the meaning of section 147(g)(1) of the Code. For this purpose, if the fees of the underwriters of the Tax-Exempt Bonds are retained as a discount on the purchase of the Tax-Exempt Bonds, such retention shall be deemed to be an expenditure of Proceeds of the Tax-Exempt Bonds for said fees.

(i) Limitation of Expenditure of Proceeds. The Issuer covenants that not less than 95 percent of the net proceeds of the Tax-Exempt Bonds (within the meaning of section 150(a)(3) of the Code) are paid for Qualified Project Costs.

(j) Limitation on Land. The Issuer covenants that less than twenty-five percent (25%) of the proceeds of the Bonds shall be used, directly or indirectly, for the acquisition of land.

(k) Existing Facilities Limit. The Issuer covenants that no proceeds of the Tax-Exempt Bonds shall be used for the acquisition of any tangible property or an interest therein, other than land or an interest in land, unless the first use of such property is pursuant to such acquisition; provided, however, that this limitation shall not apply with respect to any building (and the equipment therefor) if rehabilitation expenditures (as defined in section 145(d) of the

Code) with respect to such building equal or exceed 15 percent of the portion of the cost of acquiring such building (and equipment) financed with proceeds of the Tax-Exempt Bonds; and provided, further, that this limitation shall not apply with respect to any structure other than a building if rehabilitation expenditures with respect to such structure equal or exceed 100 percent of the portion of the cost of acquiring such structure financed with the proceeds of the Tax-Exempt Bonds.

(l) Certain Uses Prohibited. The Issuer covenants that no proceeds of the Tax-Exempt Bonds shall be used directly or indirectly to provide any airplane, skybox or other private luxury box, health club facility, facility used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises, and no portion of the proceeds of the Tax-Exempt Bonds shall be used for an office unless (i) the office is located on the premises of the facilities constituting the Project and (ii) not more than a de minimis amount of the functions to be performed at such office is not related to the day-to-day operations of the Project.

(m) Income Targeting. The Issuer hereby elects to have the Project meet the requirements of section 142(d)(1)(A) of the Code in that twenty percent (20%) or more of the residential units in the Project shall be occupied by persons or families whose Adjusted Income (as defined in the Regulatory Agreement) is fifty percent (50%) or less of Median Income for the Area (as defined in the Regulatory Agreement), adjusted for household size. The Issuer hereby elects to have Section 142(d)(4)(B) (deep rent skewing) apply to the Very Low Income Units (as defined in the Regulatory Agreement) in the Project.

In furtherance of the covenants in this Section 714, the Issuer shall execute, deliver and comply with the provisions of the Tax Certificate, which are by this reference incorporated into this Indenture and made a part of this Indenture as if set forth in this Indenture in full.

For purposes of this Section 714 the Issuer's compliance shall be based solely on matters within the Issuer's knowledge and control and no acts, omissions or directions of the Borrower, the Trustee or any other Persons shall be attributed to the Issuer. The Issuer's representations and its compliance with the covenants on its part in this Section 714 are subject to the accuracy of the representations of the Borrower and the compliance by the Borrower with the agreements on its part contained in Section 6.4 of the Loan Agreement.

Any action or inaction of the Issuer shall be deemed to comply with the foregoing covenants if it relies on a legal opinion of Bond Counsel to the effect that the proposed action or inaction will so comply or that it will not in and of itself have an adverse effect on any exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds.

ARTICLE VIII DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDOWNERS

Section 801. Defaults; Events of Default. If any of the following events occurs, it is hereby defined as and declared to be and to constitute a Default and an Event of Default:

(a) Failure to make payment of any installment of interest upon any Bond when the same shall have become due and payable;

(b) Failure to make due and punctual payment of the principal or Purchase Price or premium, if any, on any Bond, whether at the stated maturity thereof, upon proceedings for redemption thereof, upon the maturity thereof by declaration or on any Demand Date;

(c) Any representation or warranty made by the Issuer in this Indenture or the Bonds is determined by the Trustee to have been untrue in any material respect when made;

(d) Any failure by the Issuer to observe and perform any covenant, condition or agreement on its part to be observed and performed under the Indenture or the Bonds, other than as referred to in subsections (a) or (b) of this Section, continues for a period of 60 days after written notice specifying such breach or failure and requesting that it be remedied, given to the Issuer, the Borrower and the Bondowners by the Trustee or to the Issuer, the Borrower and the Trustee by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, unless (i) the Trustee agrees in writing to an extension of such time prior to its expiration or (ii) if the breach or failure be such that it cannot be corrected within the applicable period, corrective action is instituted by the Issuer, or by the Borrower, if such action can be taken by the Borrower, within the applicable period and is being diligently pursued; or

(e) Any failure by the Borrower to observe and perform its obligations under Section 5.6(a) of the Loan Agreement.

The occurrence of an event described in clauses (a) and (b) of this Section 801 shall not constitute a Default or Event of Default with respect to any Special Purchase Bonds so long as any Borrower payments of principal and interest received by the Trustee under the Loan Agreement are paid to the Owner of the Special Purchase Bonds (or to the applicable Credit Provider if the Special Purchase Bonds are held by such Credit Provider, as pledgee, for the account of the Borrower).

Section 802. Acceleration of Maturities.

Upon the occurrence of an Event of Default specified in clauses (a) or (b) of Section 801, the Trustee shall, subject to the provisions of Sections 809 and 810, notify Bondowners of the affected Subseries and declare the aggregate principal amount of such Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable; provided, that if a Credit Facility is drawn upon to pay the amounts so accelerated and is not Wrongfully Dishonored by the Credit Provider thereof, interest on such accelerated Bonds will cease to accrue upon declaration of acceleration.

Upon the occurrence of an Event of Default specified in clause (c) of Section 801 and so long as such event is continuing, subject to Sections 809 and 810, the Trustee may, and upon receipt of notice given by the Owners of not less than a majority of the aggregate principal amount of Bonds then Outstanding shall, declare the aggregate principal amount of all Bonds then Outstanding and the interest accrued thereon (to the date fixed for payment of such principal) immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

Notwithstanding any other provision of this Indenture, the Trustee may not exercise any remedy under this Section 802 without the prior written consent of the applicable Credit Provider, so long as the applicable Credit Facility is in effect and the applicable Credit Provider has not Wrongfully Dishonored such Credit Facility. The Trustee may exercise any and all

remedies under the Indenture and the Loan Agreement (except acceleration or foreclosure of the Deed of Trust) to collect any fees, expenses and indemnification from the Borrower without obtaining the consent of any Credit Provider. If the Credit Provider for a Subseries of Bonds is the Trustee or a corporate affiliate of the Trustee, upon an Event of Default specified in clauses (a), (b), or (c) of Section 801 hereof, so long as there is no continuing Wrongful Dishonor of such Credit Facility, said Credit Provider shall be solely entitled to direct in writing the acceleration of the maturity of such Bonds, and the Trustee shall have no discretion with respect thereto; provided, however, the foregoing shall not affect or restrict the ability of the Trustee to draw on a Credit Facility to redeem such Bonds in accordance with Section 602 and the provisions of Article VI.

Immediately upon acceleration, the Trustee shall draw on the applicable Credit Facilities as provided below and take such action as is necessary to pay the applicable Bonds out of the proceeds of the draws on such Credit Facilities at the earliest possible date after providing the Bondowners with a notice of acceleration in the manner provided for a notice of redemption in Section 604. The amount drawn under such Credit Facilities shall equal the aggregate unpaid principal and interest on the applicable Bonds Outstanding to the payment date fixed by the Trustee for payment of such Bonds. In the event of a Wrongful Dishonor on any Credit Facility, the Trustee shall, subject to Section 901(g) and (i), take whatever action at law or in equity may appear necessary or desirable to the Trustee to collect the moneys necessary to pay the applicable Bonds.

If a Credit Provider honors the Trustee's properly presented and conforming draw upon a Credit Facility after an acceleration of the maturity of a Subseries of the Bonds, the Trustee shall (1) execute such documents reasonably required by the Administrative Agent to assign a pro-rata share of the Trustee's right, title and interest in the Mortgage Note and the Deed of Trust to the Administrative Agent, and (2) transfer to the Administrative Agent all moneys then on deposit in the applicable Principal Reserve Account, Purchase Account and Debt Service Account.]

The above provisions of Sections 801 and 802 are subject to the conditions that if, after the principal of all Bonds then Outstanding shall have been so declared to be due and payable and prior to the Trustee's draws on the Credit Facilities referred to hereinabove for the amounts so declared to be due and payable, all arrears of interest upon such Bonds, and interest on overdue installments of interest (to the extent permitted by law) other than by acceleration at the rates of interest then in effect on the Bonds, and the principal of all Bonds then Outstanding which shall have become due and payable other than by acceleration, and all other sums payable under this Indenture, except the principal of, and interest on, the Bonds which by such declaration shall have become due and payable, shall have been paid by or on behalf of the Issuer together with the reasonable fees and expenses of the Trustee, the Issuer and the Bondowners, including reasonable attorneys' fees and expenses paid or incurred, then and in every such case, but only upon receipt by the Trustee of the express written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, the Trustee shall annul such declaration of maturity and its consequences, which waiver and annulment shall be binding upon all Bondowners; provided, that such waiver, rescission and annulment shall not extend to or affect any subsequent default or impair any right or remedy consequent thereon. In the case of any such annulment, the Credit Providers, the Issuer, the Trustee, the Borrower and the Bondowners shall be restored to their former positions and rights under this Indenture. Prior to any such annulment or waiver, Credit Facilities or Alternate Credit Facilities in the Coverage Amount must be in full force and effect.

Nothing contained in this Section 802, however, shall be construed to allow the Trustee to permit its rights, on behalf of the Bondowners, under the Credit Facilities, to be reduced, to lapse or otherwise to be extinguished.

Section 803. Remedies; Rights of Bondowners. In addition to the remedies specified in Section 802 and subject to the provisions of Section 709 and the Bond Intercreditor Agreement, the Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceedings upon the occurrence of an Event of Default, to enforce the payment of the principal and the Purchase Price of and interest on the Bonds then Outstanding, and to enforce and compel the performance of the duties and obligations of the Issuer as herein set forth. Subject to Section 709, which limits the authority of the Issuer to exercise its remedies under the Deed of Trust, and subject further to the provisions of the Bond Intercreditor Agreement, the Trustee may, upon notice to the Issuer, the Administrative Agent and the Borrower, but without the consent of the Issuer, the Administrative Agent or the Borrower, exercise any and all remedies afforded the Issuer under any Mortgage Loan Documents, other than enforcement of the Unassigned Rights. Notwithstanding anything to the contrary, the Trustee shall not be required to cause the foreclosure of the Deed of Trust or to bid at any foreclosure sale if, in the Trustee's reasonable judgment, such action would subject it to personal liability, expense, or loss, including the cost of investigation, removal, or other remedial action with respect to the environmental condition of the Project. The Trustee shall not be required to take any action with respect to the Project that could cause it to be considered an "owner" or "operator" within the meaning of the CERCLA, as amended, or any other statute dealing with hazardous substances; and the Trustee shall have no authority to manage or operate the Project, except as necessary to exercise remedies upon default.

Subject to Section 804 and Section 810, if an Event of Default shall have occurred and be continuing and if requested so to do by the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding, and the Trustee shall have been indemnified to its satisfaction as provided in Section 901, the Trustee may exercise such one or more of the rights and powers conferred by this Section 803 and Section 802 as the Trustee in its discretion being advised by its Counsel deems most expedient in the interests of the Bondowners.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bondowners) is intended to be exclusive of any other remedy, but each and every remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondowners hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder, whether by the Trustee or by the Bondowners, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Section 804. Right of Bondowners to Direct Proceedings. Except as otherwise provided in Sections 809 and 810, and upon and subject to the Trustee's right to indemnification pursuant to Section 901, and subject to the limitations imposed on the Trustee by the Bond Intercreditor Agreement, the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding have the right, at any time there is an Event of Default under

Section 801, by an instrument or instruments in writing executed and delivered to the Trustee and the Administrative Agent, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture, and that the Trustee has the right to decline to follow any such direction if the Trustee is advised by Counsel that the action or proceeding so directed may not be taken lawfully, or if the Trustee in good faith determines that the action or proceeding so directed would involve the Trustee in personal liability or would be materially adverse to the interests of non-directing Bondowners, and the Trustee may conclusively rely upon such opinion of Counsel. Notwithstanding the foregoing, if one or more Credit Facilities are in effect with respect to the Bonds and no Wrongful Dishonor has occurred thereunder, the Administrative Agent shall have the rights granted to the Bondowners in this Section 804, and the Bondowners shall not have any such rights.

Section 805. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article, after payment to the Trustee of its fees and expenses then due and owing and its reasonable expenses and attorneys' fees incurred in exercising its rights and remedies under this Article VIII, shall be transferred, to the extent necessary to pay the principal of and interest on all Outstanding Bonds, to the Debt Service Fund, with such moneys to be deposited in the Accounts thereof in the order provided therein; provided that all funds drawn under a Credit Facility, all Seasoned Funds (after notice of redemption) and all remarketing proceeds shall be used only to pay the principal or Purchase Price of or, premium, if any, and interest on Bonds. Nothing herein shall be construed to relieve the Borrower of any obligation to pay fees and expenses as provided in Article V and Section 6.8 of the Loan Agreement.

Section 806. Remedies Vested in the Trustee. All rights of action (including the right to file proofs of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Bondowners, and any recovery or judgment shall be for the equal and ratable benefit of the Owners of the Outstanding Bonds.

Section 807. Limitation on Rights and Remedies of Bondowners. No Bondowner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy hereunder unless (1) an Event of Default has occurred of which the Trustee has been notified, (2) the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee, shall have offered the Trustee reasonable opportunity either to proceed to exercise the powers herein granted or to institute such action, suit or proceeding in its own name, and shall have offered to the Trustee indemnity satisfactory to the Trustee as provided in Section 901, and (3) the Trustee shall for a period of 60 days thereafter fail or refuse to exercise the powers herein granted, or to institute such action, suit or proceeding in its own name as Trustee; and such notification, request and offer of opportunity and indemnity are hereby declared in every case to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder. No one or more Bondowners shall have any right in any manner whatsoever to enforce any right hereunder except in the manner herein provided, and all

proceedings at law or in equity must be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Owners of all Bonds then Outstanding. The rights and remedies of the Bondowners in this Indenture are subject to the further limitations of the Bond Intercreditor Agreement. Nothing in this Indenture contained shall, however, affect or impair the right of any Bondowner to enforce the payment of the principal and Purchase Price of, and premium, if any, and interest on, any Bonds at and after the maturity thereof.

Section 808. Termination of Proceedings. In case the Trustee has proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceeding is discontinued or abandoned for any reason, or is determined adversely to the Trustee, then and in every such case the Issuer, the Trustee and the Bondowners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee will continue as if no such proceedings had been taken.

Section 809. Waivers of Events of Default. The Trustee may, in its discretion, waive any Event of Default hereunder and rescind its consequences and shall do so upon the written direction of the Administrative Agent or written direction of the Owners of not less than a majority in aggregate principal amount of all Bonds then Outstanding; provided, however, that there shall not be waived (a) any Event of Default in the payment of the principal or Purchase Price of any Outstanding Bonds when due (whether at maturity or by redemption or as a result of acceleration) or (b) any Event of Default in the payment when due of the interest on any such Bonds, unless prior to such waiver and rescission all arrears of interest and all arrears of principal and Purchase Price when due, as the case may be, together, in either case, with the moneys due and owing to the Trustee, including reasonable attorneys' fees paid or incurred, shall have been paid or provided for, and the Owners of all Bonds then Outstanding approve such waiver. Notwithstanding any provisions hereof to the contrary, any declaration pursuant to Section 802 hereof made at the request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall not be waived except as they may be annulled pursuant to Section 802. In the case of any such waiver and rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Issuer, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, but no such waiver and rescission shall extend to any subsequent or other default, or impair any right consequent thereon. All waivers under this Indenture shall be in writing and a copy thereof shall be delivered to the Issuer and to the Administrative Agent. Prior to any such waiver, the Credit Facilities must be reinstated or be in full force and effect with respect to the Coverage Amount.

Section 810. Limitation. Notwithstanding anything to the contrary in this Indenture, neither the Trustee, the Issuer nor the Bondowners shall, without the prior written consent of the Administrative Agent, take any action to accelerate any Bonds under this Article VIII or exercise or cause to be exercised any rights or remedies under the Deed of Trust so long as there is no Wrongful Dishonor of the applicable Credit Facility, nor has there occurred a Determination of Unenforceability with respect to such Credit Facility; provided, however, that the Administrative Agent shall retain such consent right for any Bonds with respect to which the applicable Credit Provider has made any unreimbursed payments of principal, Purchase Price or interest, notwithstanding any subsequent Wrongful Dishonor or Determination of Unenforceability.

Section 811. Absolute Obligation of Issuer. Nothing in any provision of this Indenture or in the Bonds shall affect or impair the obligation of the Issuer, which is absolute and

unconditional, to pay the principal, Purchase Price or redemption price of and interest on the Bonds to the respective Bondowners of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, or affect or impair the right of such Bondowners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 812. Bond Intercreditor Agreement. Notwithstanding anything contained in this Article VIII, the rights and remedies of the Trustee and the Bondowners under this Indenture shall be subject to the provisions of the Bond Intercreditor Agreement. The Trustee is authorized and directed to enter into the Bond Intercreditor Agreement solely in its capacity as Trustee under this Indenture and all provisions of this Indenture and the Loan Agreement relating to the rights, privileges, powers, indemnification and protections of the Trustee shall apply with equal force and effect to all actions taken or not taken by the Trustee in connection with the Bond Intercreditor Agreement. The Trustee and the Issuer may enter into a replacement Bond Intercreditor Agreement in substitution for the Bond Intercreditor Agreement then in effect upon a mandatory tender for purchase of all of the Bonds.

ARTICLE IX THE TRUSTEE

Section 901. Appointment and Duties; Successor Trustee.

(a) The Issuer hereby appoints U.S. Bank National Association, as Trustee, Bond Registrar and paying agent and designates the Principal Office of the Trustee as the principal place of payment for the Bonds. Furthermore, any rights or protections afforded to the Trustee hereunder apply to the Trustee when acting as Bond Registrar or paying agent hereunder or as dissemination agent with respect to any continuing disclosure undertaking. Notwithstanding any other provision of this Indenture, the Loan Agreement, the Deed of Trust, the Bond Intercreditor Agreement or the Regulatory Agreement, the Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture, the Loan Agreement, the Deed of Trust, the Bond Intercreditor Agreement and the Regulatory Agreement, and no implied covenants or obligations of the Trustee shall be read into this Indenture, the Loan Agreement, the Deed of Trust, the Bond Intercreditor Agreement or the Regulatory Agreement. Subject to Sections 802 and 901(i), the Trustee shall, during the existence of any Event of Default (which has not been cured), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Issuer may remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation; in each case by giving written notice of such removal to the Trustee, the Borrower, the Remarketing Agent and the Administrative Agent, and thereupon shall appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Issuer, the Borrower, the Remarketing Agent and the Administrative Agent, by registered or certified mail or courier service. Upon receiving such notice of resignation, the Issuer shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee and transfer of the Letters of Credit or Alternate Credit Facilities to the successor Trustee; provided, that such transfer shall be in accordance with the terms of the Letters of Credit or Alternate Credit Facilities. Promptly upon such acceptance, the Issuer shall give notice thereof to the Registered Owners by first-class mail postage prepaid, and to the Borrower, the Remarketing Agent and the Administrative Agent by registered or certified mail or courier service. If no successor Trustee shall have been appointed and have accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the incumbent Trustee, the Administrative Agent, the Borrower or any Bondowner (on behalf of himself and all other Bondowners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Issuer and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the request of the Issuer or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Issuer shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations.

(e) Any Trustee appointed under the provision of this section in succession to the Trustee shall be a trust company, national banking association, or a commercial bank, having experience with transactions similar to those described herein, and subject to supervision or examination by federal or state authority with respect to its responsibilities as trustee. If such bank, national association, 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 purpose of this section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section. The Trustee shall cooperate fully in the transfer to a successor Trustee and shall promptly deliver to such successor all records and documents held by the Trustee with regard to the Trustee's obligations under this Indenture and the Loan Agreement.

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

(g) Before taking any action under this Indenture or the Mortgage Loan Documents or the Deed of Trust (except for making all required payments to Bondowners when due, causing mandatory tender, mandatory redemption or acceleration of maturity of the Bonds as required herein, and drawing on a Credit Facility in accordance with its terms and this Indenture), the Trustee may require that indemnity satisfactory to it be furnished, which indemnity shall include payment of its fees, extraordinary expenses, and reasonable attorneys' fees, and protection against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any such action. The Trustee shall be under no obligation to institute any suit, to take any proceeding under this Indenture, the Mortgage Loan Documents or the Deed of Trust to enter any appearance or in any way defend any suit in which it may be defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, or in the compliance with any covenant contained in Article VII, until it has been satisfied that payment of all fees and expenses, outlays and reasonable counsel fees and other reasonable disbursements in connection therewith, and satisfactory indemnity against all risk and liability, have been provided for. However, the Trustee may begin suit, or appear in and defend any suit, or intervene, or do anything else in its judgment proper to be done by it as such Trustee, without assurance of reimbursement or indemnity. In all such cases Trustee shall be reimbursed or indemnified for all fees and expenses, liabilities, outlays and reasonable counsel fees and other reasonable disbursements properly incurred in connection therewith, unless such liability or disbursement is adjudicated to have resulted from the negligence or willful default of the Trustee. If the Borrower or Bondowners shall fail to make such reimbursement or indemnification, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Indenture, subject only to the provisions of this Indenture.

(h) The Trustee's rights to receive compensation, reimbursement and indemnification of money due and owing hereunder shall survive the Trustee's resignation or removal, the payment of the Bonds and the defeasance of this Indenture.

(i) The Trustee may accept, hold, and draw upon Credit Facilities issued by itself or by any of its corporate affiliates to provide security and a source of payment for the Bonds. Further, the Trustee covenants that it shall at all times maintain adequate controls to manage any potential conflicting interest. Notwithstanding any other provision herein to the contrary, while the Credit Provider issuing the Credit Facilities is the Trustee or any affiliate of the Trustee, and such Credit Provider has not Wrongfully Dishonored any Credit Facility, the Trustee shall have no discretion with respect to the acceleration of the Bonds and shall do so only upon written direction of such Credit Provider. If such affiliate shall at any time Wrongfully Dishonor a Credit Facility, the Trustee shall immediately tender its resignation and take prompt steps to have a successor trustee appointed satisfying the requirements of Section 901(e).

Section 902. Fees, Charges and Costs of Trustee. The Trustee shall be entitled to payment of the Trustee Fee. The Trustee's rights to receive compensation under this section and under applicable provisions of the Loan Agreement, the Deed of Trust, the Bond

Intercreditor Agreement and the Regulatory Agreement shall be secured by, and there is hereby granted to the Trustee, a lien on the Trust Estate (except for any moneys representing the proceeds of any draws on any Credit Facility or remarketing proceeds or Seasoned Funds after notice of redemption), which lien shall be subordinate to the lien in favor of the Bondowners for payment of the principal of, premium, if any, and interest on the Bonds, except that, upon an Event of Default, but only upon an Event of Default, the Trustee shall have a prior lien upon the Trust Estate (except for any moneys representing the proceeds of any draws on any Credit Facility, Seasoned Funds after a notice of redemption or remarketing proceeds) for its extraordinary fees, charges and expenses, including reasonable attorneys' fees incurred in enforcing the provisions of the Indenture or any other agreement referred to herein.

Section 903. Liability of Trustee. The recitals of facts herein and in the Bonds contained shall be taken as statements of the Issuer, and the Trustee assumes no responsibility for the correctness of the same, and makes no representations as to the validity or sufficiency of this Indenture, the Mortgage Loan Documents or the Bonds, and shall incur no responsibility in respect thereof. The Trustee shall not be accountable for the use or application by the Issuer, the Borrower or the Credit Providers of the Bonds or the proceeds thereof or of any moneys paid to the Issuer, the Borrower or the Credit Providers pursuant to the terms of this Indenture, the Deed of Trust and the Mortgage Loan Documents. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder or under the Mortgage Loan Documents either directly or through agents, receivers, or attorneys; provided, that the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney only if such agent or attorney is appointed with due care and approved by the Issuer, which approval will not be unreasonably withheld and will be delivered in a timely fashion. The Trustee may in all cases pay and be entitled to reimbursement from the Borrower for all reasonable compensation paid to such attorneys, agents and receivers. Neither the Credit Providers nor the Borrower shall be deemed agents of the Trustee for any purpose, and the Trustee shall not be responsible for the compliance of any of them with their respective duties hereunder in connection with the transactions contemplated herein. The Trustee makes no representation as to and shall have no responsibility for the sufficiency of the insurance required under the Mortgage Loan Documents.

The Trustee may act upon the opinion or advice of Bond Counsel, and the Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted in good faith (which shall not include actions taken or omitted that constitute negligence or willful misconduct) in reliance upon such opinion or advice.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct. The Trustee shall not be required to expend, advance, or risk its own funds or incur any financial liability in the performance of its duties or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or satisfactory indemnity against such risk or liability is not assured to it.

The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts during any period in which it may be in possession of or managing the Project except for its own negligence or willful misconduct. The Trustee shall have no responsibility with respect to any

information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Bonds.

The Trustee shall not be liable for actions taken at the direction of Bondowners pursuant to the provisions of Article VIII.

The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its (reasonable) control, including, without limitation, acts of God; earthquakes; fire; fire; flood; terrorism; wars and other military disturbances; sabotage; epidemics; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communication services; accidents; labor disputes; acts of civil or military authority and governmental action.

Section 904. Right of Trustee to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with Counsel, who may be Counsel of or to the Issuer, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith (which shall not include actions taken or omitted that constitute negligence or willful misconduct) and in accordance therewith.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of the Issuer, and such certificate shall be full warrant to the Trustee for any action taken or suffered in good faith (which shall not include actions taken or omitted that constitute negligence or willful misconduct) under the provisions of this Indenture in reliance upon such certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder, or under the Mortgage Loan Documents, except for defaults arising from failure to make any required payments to the Trustee or defaults of which the Trustee has actual knowledge, unless the Trustee is specifically notified in writing of such default by the Issuer, the Borrower, the Administrative Agent, or the Registered Owners of 25% in aggregate principal amount of the Bonds then Outstanding, and all such notices or other instruments required to be delivered to the Trustee must be delivered to the Principal Office of the Trustee.

The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants or conditions on the part of the Issuer, except as herein set forth, but the Trustee may require of the Issuer full information and advice as to the performance of any covenants and conditions herein.

Section 905. Intervention By Trustee. In any judicial proceedings to which the Issuer is a party and which in the opinion of the Trustee and its Counsel has a substantial bearing on the interest of owners of the Bonds, the Trustee may, in its discretion, intervene on behalf of Bondowners and, upon being indemnified to its satisfaction therefor as provided in

Section 901(g), shall do so if requested in writing by the owners of a majority in aggregate principal amount of all Bonds then Outstanding, subject to the limitations of Section 804.

Section 906. Reports of the Trustee.

(a) The Trustee shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Project, the proceeds of the Bonds, the principal amount of Bonds Outstanding, the Revenues, the Trust Estate and the Funds and Accounts established by this Indenture. Such books and all other books and papers of the Trustee shall at all reasonable times during regular business hours be subject to the inspection of the Issuer, the Borrower, the Remarketing Agent, the Administrative Agent and the Beneficial Owner(s) or their representatives duly authorized in writing.

(b) On or before the fifteenth (15th) day of each month (or at such other reasonable frequency as requested by the Issuer, Administrative Agent or Borrower and agreed to by the Trustee), the Trustee shall submit to the Issuer, Borrower and the Administrative Agent a statement of account for the preceding month or period setting forth:

(1) the amounts withdrawn or transferred by it and the amounts deposited with it on account of each Fund held by it under the provisions of this Indenture, and the balance held in each Fund;

(2) a brief description of all obligations held by it as an investment of money (including mortgages and loans) in each such Fund and accrued interest earned;

(3) the amount applied (broken down as to prepayments and interest) to the purchase or redemption of Bonds under the provisions of this Indenture;

(4) an accounting of the Bonds outstanding;

(5) any other information that the Issuer may reasonably request from time to time, without charge if said information is required by its auditor, Rebate Analyst or the Internal Revenue Service, and is readily available from the records of the Trustee, and otherwise with such reasonable charges as are required by the Trustee; and

(6) a statement of interest calculations if the Bonds are in a Variable Rate Mode.

(c) The reports, statements and other documents required to be furnished to or by the Trustee pursuant to any provision of this Indenture shall be available for inspection upon reasonable prior notice by Bondowners during normal business hours at the office of the Trustee, and a copy of the reports required hereunder, if any, shall be mailed by the Trustee to each Beneficial Owner of Bonds who shall file a written request therefor with the Issuer at the expense of the party requesting the statement.

Section 907. Communications Among Owners. Within five Business Days after the receipt by the Trustee of a written application by any three or more Beneficial Owners stating that the applicants desire to communicate with other Beneficial Owners with respect to their rights under this Indenture or under the Bonds and accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, and by reasonable proof (as

determined solely by the Trustee) that each such applicant has owned a Bond for a period of at least six months preceding the date of such application, the Trustee shall notify DTC of such application, and at its election, either:

- (a) afford to such applicants access to all information furnished to or received by the Trustee from DTC; or
- (b) inform such applicants as to the approximate number of Beneficial Owners according to the most recent information furnished to or received by the Trustee from DTC, and as to the approximate cost of mailing to the Owners the form of proxy or other communication, if any, specified in such application.

The disclosure of any such information as to the names and addresses of the Owners in accordance with the provisions of this section, regardless of the source from which such information was derived, shall not be deemed to be a violation of any existing law or of any law hereafter enacted which does not specifically refer to the comparable section of the Indenture Act, nor shall the Trustee be held accountable by reason of mailing any material pursuant to a request made under this section.

The term Beneficial Owners, for purposes of this Section 907 or any other Section herein requiring the Trustee to deliver statements, reports or documents to or receive requests or instructions from the Beneficial Owners, includes any Beneficial Owner who provides to the Trustee an affidavit of beneficial ownership of Bonds. The Trustee may rely conclusively upon such affidavit and shall have no liability to the Issuer, Borrower, any Owner of Bonds, or any other person in connection with such reliance. Furthermore, the Trustee shall be entitled to assume that any Beneficial Owner remains a Beneficial Owner thereafter, absent receipt of written notice or information to the contrary.

Section 908. Appointment of a Co-Trustee. It is the intent of the Issuer and the Trustee that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture, the Mortgage Loan Documents, the Deed of Trust or any Credit Facility, and, in particular, in case of the enforcement of any of them on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies granted herein to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint, with the consent of the Issuer, an additional individual or institution as a separate trustee or co-trustee. The following provisions of this Section 908 are adopted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate trustee or co-trustee, in the event of the incapacity or lack of authority of the Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers, trusts and remedies herein granted to the Trustee or to hold title to the Trust Estate or to take any other action which may be necessary or desirable in connection therewith, each and every remedy, power, right, obligation, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be imposed upon, exercised by or vested in or conveyed to the Trustee with respect thereto shall be imposed upon, exercisable by and vest in such separate trustee or co-trustee, but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights, trusts and remedies, and every covenant

and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them. Such separate trustee or co-trustee shall deliver an instrument in writing acknowledging and accepting its appointment hereunder to the Issuer, the Trustee, the Borrower and the Administrative Agent. The appointment of any such co-trustee shall be subject to the approval in writing by the Rating Agency.

Should any instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or if such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. If the Issuer shall fail to deliver the same within fifteen (15) days of such request, the Trustee is hereby appointed attorney-in-fact for the Issuer to execute, acknowledge and deliver such instruments in the Issuer's name and stead. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 909. City Contracting Provisions. The Trustee covenants and agrees to comply with the provisions set forth in Exhibit C to this Indenture, which is incorporated in and made a part of this Indenture by this reference.

ARTICLE X SUPPLEMENTAL INDENTURES

Section 1001. Amendments Requiring Consent of Bondowners. This Indenture and the rights and obligations of the Issuer, the Bondowners and the Trustee may be modified or amended at any time by a Supplemental Indenture which shall become effective when signed by the parties hereto and the written consents of the Owners of 60% or more of the aggregate principal amount of Bonds Outstanding shall have been filed with the Trustee; provided, that if such modification or amendment will, by its terms, not take effect so long as any Bonds remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall (a) extend the fixed maturity of any Bond, or reduce the amount of principal thereof or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Owner of each Bond so affected, or (b) reduce the aforesaid percentage of the aggregate principal amount of Bonds then Outstanding the consent of the Owners of which is required to effect any such modification or amendment, or (c) permit the creation of any lien on the Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture, or deprive the Bondowners of the lien created by this Indenture upon such Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Bondowners of all of the Bonds then Outstanding. Notwithstanding the foregoing, this Indenture shall not be amended without the prior written consent of the Administrative Agent, unless, in the opinion of Bond Counsel filed with the Trustee, the Borrower, the Administrative Agent and the Issuer prior to the effective date of such amendment, such amendment is necessary to preserve the exemption from income taxation of interest on the Tax-Exempt Bonds.

If at any time the Issuer requests that the Trustee enter into any such Supplemental Indenture for any of the purposes allowed by this Section, the Trustee shall, at the request of

the Issuer and upon being indemnified to its satisfaction with respect to costs, cause notice of the proposed execution of such Supplemental Indenture to be given in substantially the manner provided in Section 604 with respect to redemption of Bonds. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Bondowners. If, within 60 days or such longer period as shall be prescribed by the Issuer following the mailing of such notice, the Owners of 60% or more of the aggregate principal amount of Bonds then Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. The Issuer shall have the right to extend from time to time the period within which such consent and approval may be obtained from Bondowners.

Section 1002. Amendments Not Requiring Consent of Bondowners. This Indenture and the rights and obligations of the Issuer, the Bondowners and the Trustee may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Bondowners, when signed by the parties hereto and upon receipt of the prior written consent of the Administrative Agent, which amendment shall become effective upon execution (or such later date as may be specified in such Supplemental Indenture), but 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 Issuer contained in this Indenture, other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds, or to surrender any right or power herein reserved to or conferred upon the Issuer, provided, that no such covenant, agreement, pledge, assignment or surrender shall materially adversely affect the interests of the Bondowners;

(b) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the Issuer may deem necessary or desirable and not inconsistent with this Indenture, and which shall not materially adversely affect the interests of the Bondowners;

(c) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Bondowners;

(d) to modify, amend or supplement this Indenture in any other way which shall not materially adversely affect the interests of the Bondowners;

(e) to provide for a Substitute Letter of Credit or an Alternate Credit Facility meeting the requirements of Section 310 or 313 or to provide for the termination or expiration of a Credit Facility as provided in Section 314, and that otherwise does not materially adversely affect the interests of the Bondowners;

(f) to provide for certificated bonds;

- (g) to comply with state or federal securities laws;
- (h) to provide for the Conversion of Bonds;
- (i) to make any other amendment, including without limitation amendments which would otherwise be described in Section 1001, if such amendment will take effect immediately following a mandatory tender of the Bonds, or if at least 30 days' notice of the amendment is given to Bondowners, and the Bondowners have the right to tender their Bonds for purchase under the Demand Purchase Option described herein; or
- (j) to modify, amend or supplement this Indenture in any other way necessary to preserve the exemption of interest on the Tax-Exempt Bonds from federal income taxation.

Section 1003. Consent of Borrower and Remarketing Agent to Supplemental Indentures. Anything herein to the contrary notwithstanding, a Supplemental Indenture under this Article X that adversely affects any rights of the Borrower in any manner not contemplated by the Mortgage Loan Documents will not become effective unless and until the Borrower has consented to the execution and delivery of such Supplemental Indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Indenture to be mailed by certified or registered mail or sent by courier service to the Borrower and its Counsel and the Administrative Agent and its Counsel at least 15 days prior to the date of the first mailing of notice of the proposed execution of such Supplemental Indenture as hereinbefore in Section 1001 provided. The Borrower shall be deemed to have consented to the execution and delivery of any such Supplemental Indenture if the Trustee does not receive a letter of protest or objection thereto, signed by or on behalf of the Borrower, on or before 12:00 p.m., Pacific Time, on the fifteenth day after the mailing of said notice and a copy of the proposed Supplemental Indenture. Anything herein to the contrary notwithstanding, a Supplemental Indenture under this Article X that adversely affects any rights of the Remarketing Agent in any manner not contemplated by the Mortgage Loan Documents shall not become effective unless and until the Remarketing Agent has consented to the execution and delivery of such Supplemental Indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Indenture to be mailed by certified or registered mail to the Remarketing Agent at least 15 days prior to the date of the first mailing of notice of the proposed execution of such Supplemental Indenture as hereinbefore in Section 1001 provided. The Remarketing Agent shall be deemed to have consented to the execution and delivery of any such Supplemental Indenture if the Trustee does not receive a letter of protest or objection thereto, signed by or on behalf of the Remarketing Agent, on or before 12:00 p.m., Pacific Time, on the fifteenth day after the mailing of said notice and a copy of the proposed Supplemental Indenture.

Section 1004. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Issuer, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes. The Trustee shall also send prior written notice to the Borrower of any Supplemental Indenture which does not adversely affect the rights of the Borrower; provided, that Borrower's consent to such Supplemental Indenture shall not be required.

Section 1005. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after any Supplemental Indenture becomes effective pursuant to this Article may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Issuer and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the Principal Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Issuer or the Trustee shall so determine, new Bonds modified as to conform, in the opinion of the Issuer and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Issuer and authenticated by the Trustee, and upon demand of the Owner of any Bond then Outstanding shall be exchanged at the Principal Office of the Trustee, without cost to any Bondowner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds in equal aggregate principal amounts of the same maturity.

Section 1006. Amendment of Particular Bonds. The provisions of this Article shall not prevent any Bondowner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 1007. Trustee Consent; Required Opinion of Bond Counsel; Notice to Rating Agency. No amendment or supplement to this Indenture shall modify any of the rights or obligations of the Trustee without its written assent thereto. The Issuer and the Trustee shall not enter into or consent to any amendment, change or modification to this Indenture unless the Issuer, the Remarketing Agent and the Trustee have received an opinion of Bond Counsel to the effect that such amendment will comply with this Article X, not impair the exemption of the interest on the Tax-Exempt Bonds from federal income taxation, and, if applicable, will not materially adversely affect the interests of Bondowners. The Issuer, the Trustee, the Remarketing Agent, the Borrower and the Administrative Agent may rely upon any such opinion of Bond Counsel. Prior to any amendment, change or modification to this Indenture, the Trustee shall notify the Rating Agency of the occurrence of such event.

ARTICLE XI AMENDMENT OF MORTGAGE LOAN DOCUMENTS

Section 1101. Amendments to Mortgage Loan Documents Not Requiring Consent of Bondowners. Subject to the provisions of Section 1103 and with the prior written consent of the Administrative Agent and the Trustee, but without the consent of or notice to any of the Bondowners, the respective parties thereto may enter into any amendment, change or modification of the Mortgage Loan Documents as may be required (a) by the provisions of the Mortgage Loan Documents or this Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission, (c) so as to add additional rights acquired in accordance with the provisions of the Mortgage Loan Documents, (d) in connection with any other change therein which is not materially to the prejudice of the Trust Estate or the Owners of the Bonds, it being understood that in making a determination under (d) above, the Trustee may rely on the advice of Counsel; or (e) in any other respect, including without limitation amendments which would otherwise be described in Section 1102, (1) if such amendments will take effect on a Conversion Date or a Substitution Date following the mandatory tender of the Bonds, or (2) if notice of the proposed amendments is given to Bondowners (in the same manner as notices of redemption are given) at least thirty (30) days before the effective date thereof and, on or before such effective date, the Bondowners have the right to demand purchase of their Bonds pursuant

to Section 202(h). The Issuer and the Trustee shall, without the consent of or notice to Bondowners, but after prior written notice to the Administrative Agent, enter into any amendment, change or modification of the Mortgage Loan Documents as may be necessary, in the opinion of Bond Counsel to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated by the Department of the Treasury or the Internal Revenue Service pertaining to obligations issued under Sections 142(d) or 145 of the Code.

Notwithstanding the foregoing, the Deed of Trust may be amended, changed or modified in any way with the prior written consent of the Administrative Agent and the Issuer, but without the consent of or notice to Bondowners, so long as there is no continuing Wrongful Dishonor of any Credit Facility.

Section 1102. Amendments to Mortgage Loan Documents Requiring Consent of Bondowners. Except for the amendments, changes or modifications as provided in Section 1101, and subject to the provisions of Section 1103, neither the Issuer nor the Borrower shall enter into any other amendment, change or modification of the Mortgage Loan Documents without the prior written consent of the Administrative Agent, and without mailing of notice and the written approval or consent of the Owners of not less than 60% or more of the aggregate principal amount of Bonds then Outstanding given and procured as provided in this Section; provided, however, that nothing in this section or Section 1101 (except as described in Section 1101(e)) shall permit or be construed as permitting (a) an extension of the time of the payment of any amounts payable under the Mortgage Note, or (b) a reduction in the amount of any payment or in the total amount due under the Mortgage Note without the consent of the Owners of all Bonds then Outstanding. If at any time the Issuer and the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification of the Mortgage Loan Documents, the Trustee shall, at the request of the Issuer and upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided by Section 604 with respect to redemption of Bonds; provided, that the Trustee shall not be required to consent to any amendment that materially adversely affects its rights or responsibilities hereunder or under the Mortgage Loan Documents. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instruments modifying the same are on file with the Trustee for inspection by all Bondowners. If, within 60 days, or such longer period as shall be prescribed by the Issuer, following the mailing of such notice, the Owners of 60% or more of the aggregate principal amount of Bonds then Outstanding at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Borrower or the Issuer from executing the same or from taking any action pursuant to the provisions thereof, or the Trustee from consenting thereto. The Issuer shall have the right to extend from time to time the period within which such consent and approval may be obtained from Bondowners. Upon the execution of any such amendment, change or modification as in this section permitted and provided, the Mortgage Loan Documents or any Credit Facility, as the case may be, shall be and be deemed to be modified, changed and amended in accordance therewith.

Section 1103. Required Opinion of Bond Counsel; Notice to Rating Agency. The Issuer and the Trustee shall not enter into or consent to any amendment, change or modification to any one or more of the Mortgage Loan Documents unless the Issuer, the Trustee and the

Remarketing Agent have received an opinion of Bond Counsel to the effect that such amendment will comply with this Article XI and not impair the exemption of the interest on the Tax-Exempt Bonds from federal income taxation; provided, however, that no such opinion is required in connection with an amendment, change or modification of the Deed of Trust in accordance with Section 1101. The Issuer, the Remarketing Agent and the Trustee may rely upon any such opinion of Bond Counsel. Prior to any amendment, change or modification to the Mortgage Loan Documents (except for any amendment, change or modification of the Deed of Trust in accordance with Section 1101) or any Credit Facility, the Trustee shall notify the Rating Agency of the occurrence of such event.

Section 1104. Trustee Consent With Respect to Release of Collateral. Upon the request of the Borrower, and with the prior written consent of the Administrative Agent, the Trustee and (if applicable) the Issuer shall execute a reconveyance instrument provided by the Administrative Agent, releasing or subordinating any lien, security interest, or encumbrance on all or a portion of the Property provided, however, that while any Bonds remain Outstanding, such instrument shall be executed only if the Credit Facilities remain in effect.

Section 1105. Required Approval. No amendment, supplement or modification may be made to any Mortgage Loan Document which materially and adversely affects any rights or obligations of the Remarketing Agent without the prior written consent of the Remarketing Agent.

ARTICLE XII DEFEASANCE

Section 1201. Defeasance. If, following Conversion of the Bonds to a Fixed Rate, the Issuer shall pay or cause to be paid, or make provisions for payment, to or for the Bondowners, of the principal of, premium, if any, and interest due or to become due on the Bonds, at the times and in the manner stipulated therein, and if the Issuer shall have kept, performed and observed all and singular the covenants and promises in the Bonds and in this Indenture expressed to be kept, performed and observed by it or on its part, and shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof, then this Indenture and the lien, rights, estate and interests created hereby shall cease, determine and become null and void (except as to any rights of registration, transfer or exchange of Bonds herein provided for and indemnification of the Trustee pursuant to Section 6.8 of the Loan Agreement, which shall survive), whereupon the Trustee shall take all such actions (including, without limitation, payment to the Credit Providers of amounts, if any, owed for draws on the Credit Facilities, but only to the extent of moneys available therefor in the Debt Service Fund or the Mortgage Loan Fund, and termination of the Credit Facilities) to cancel and discharge the lien of this Indenture and to terminate the trust created herein, and shall, upon payment of all fees and expenses payable to the Trustee, the Issuer, and the Rebate Analyst under this Indenture or the Loan Agreement, release, assign and deliver unto the Credit Providers (or to the Borrower if the Borrower has paid all amounts owed to the Credit Providers under the Reimbursement Agreements and any Related Documents (as defined in the Reimbursement Agreements)) any and all the estate, right, title and interest in and to any and all rights assigned or pledged to the Trustee or otherwise subject to this Indenture, except (a) moneys, obligations or securities held by the Trustee for the payment of the principal of, premium, if any, and interest on the Bonds and (b) any money in the Rebate Fund to pay the Rebate Amount, or (c) any other moneys remaining in any Fund or Account created pursuant to this Indenture, which moneys shall be delivered to the Borrower upon receipt of an opinion of

Bond Counsel that such action shall not cause the Tax-Exempt Bonds to become retroactively taxable.

Any Bond or portions thereof in Authorized Denominations shall, prior to the maturity or redemption thereof, be deemed to be paid and defeased within the meaning of this Indenture when following Conversion to a Fixed Rate:

(a) payment of the principal and premium, if any, of such Bonds or portion thereof, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Indenture, or otherwise), either: shall have been made or caused to be made in accordance with the terms of Section 202 or shall have been provided for, by irrevocably depositing with the Trustee, in trust, and irrevocably setting aside exclusively for such payment any combination of Seasoned Funds which shall be sufficient to make such payment when due and/or non-callable, non-prepayable Government Obligations purchased with such Seasoned Funds maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment;

(b) the Trustee shall have received a certificate from a firm of certified public accountants that the moneys so deposited will be sufficient, without reinvestment, to pay debt service on all Bonds to the due date thereof;

(c) all necessary and proper fees, compensation and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee; and

(d) The Trustee and the Remarketing Agent shall have received an opinion of Bond Counsel that such Bonds have been legally defeased under this Indenture and that such refunding or defeasance shall not affect the exclusion of interest on the Tax-Exempt Bonds from gross income for purposes of federal income taxes.

A new certificate of the type specified in clause (b) of the preceding sentence shall be provided to the Trustee in the event any substitute securities are provided to the Trustee.

At such time as a Bond or portion thereof shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of Sections 203, 207 and 312 and by any such payment from such moneys or Government Obligations.

Any moneys so deposited with the Trustee as provided in this Article may at the direction of the Issuer be invested and reinvested in non-callable, non-prepayable Government Obligations maturing in the amounts and at the times as hereinbefore set forth, and all income from all such Government Obligations in the hands of the Trustee pursuant to this Article which is not required (based upon a verification provided by a firm of certified public accountants) for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be deposited in the Debt Service Fund as and when realized and collected for use and application as are other moneys deposited in that Fund.

Notwithstanding the provisions of any other Article of this Indenture that may be contrary to the provisions of this Article, all such money or Government Obligations set aside and held in trust pursuant to the provisions of this Article and for the payment of Bonds (including interest and premium thereon, if any) shall be applied to and used solely for the payment of the

particular Bonds (including interest and premium thereof, if any) with respect to which such money and Government Obligations have been so set aside in trust.

Anything in Article X to the contrary notwithstanding, if such moneys or noncallable Government Obligations have been deposited or set aside with the Trustee pursuant to this Article XII for the payment of Bonds and interest and premium thereon, if any, and such Bonds have not in fact been actually paid in full, no amendment to the provisions of this Article XII may be made without the consent of the Owner of each Bond affected thereby.

ARTICLE XIII MISCELLANEOUS

Section 1301. Consents, Etc., of Bondowners. Any consent, approval, direction or other instrument required by this Indenture to be signed and executed by the Bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such consent, approval, direction or other instrument or of the writing appointing any such agent, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely:

(a) the fact and date of the execution by any Person of any such instrument or writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the Person signing such instrument or writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution; and

(b) the fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the registration books maintained by the Trustee pursuant to Section 203.

Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any Person who at the time of making such request or giving such authority or consent is the Owner of any Bonds shall be conclusive and binding upon all future Owners of the same Bonds and upon Bonds issued in exchange therefor or upon transfer or in place thereof.

Section 1302. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any Person other than the parties hereto, the Credit Providers, the Borrower, the Remarketing Agent and the Owners of the Bonds any legal or equitable right, remedy or claim under or in respect to this Indenture. This Indenture and all of the covenants, conditions and provisions hereof are intended to be and are for the sole and exclusive benefit of the parties hereto, and the following non-parties, each of whom shall be third-party beneficiaries of this Indenture to the extent of their rights hereunder: the Owners of the Bonds, the Credit Providers, the Remarketing Agent and the Borrower.

Section 1303. Severability. If any provision of this Indenture shall be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances

shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or Sections in this Indenture contained, shall not affect the remaining portions of this Indenture, or any part thereof.

Section 1304. Notices. Except as otherwise provided herein, all notices, certificates or other communications shall be sufficiently given and (except for notices to the Trustee, which shall be deemed given only when actually received by the Trustee) shall be deemed given on the date sent by Electronic Notice or on the second day following the date on which the same have been personally delivered, delivered by overnight courier (with signed receipt) or mailed by certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Issuer: City and County of San Francisco
Mayor's Office of Housing and Community Development
1 South Van Ness Avenue, Fifth Floor,
San Francisco, CA 94103
Attention: Director

With copies to City and County of San Francisco
City Hall, 1 Dr. Carlton B. Goodlett Place, Room 316
San Francisco, California 94102
Attention: City Controller

City and County of San Francisco
City Hall, 1 Dr. Carlton B. Goodlett Place, Room 140
San Francisco, California 94102
Attention: City Treasurer

Office of the City Attorney
City Hall, 1 Dr. Carlton B. Goodlett Place, Room 234
San Francisco, California 94102
Attention: Finance Team
Telephone: (415) 554-4703
Fax: (415) 554-4755
E-mail: Kenneth.roux@sfgov.org

If to the Borrower: Related/Mariposa Development Co., L.P.
c/o Related California
44 Montgomery Street, Suite 1300
San Francisco, CA 94104
Attention: Gregory Vilkin
Telephone: (415) 677-9000
Fax: (888) 371-8739
E-Mail: greg.vilkin@related.com

The Related Companies, L.P.
60 Columbus Circle
New York, NY 10023
Attention: Chief Legal Officer
Phone: (212) 801-3478
E-Mail: jmccool@related.com

Cox, Castle & Nicholson LLP
50 California Street, Suite 3200
San Francisco, CA 94111
Attention: Steven Ryan
Telephone: (415) 262-5150
Fax: (415) 262-5199
E-Mail: sryan@coxcastle.com

Levitt & Boccio, LLP
423 West 55th Street, 8th Floor
New York, NY 10019
Attention: David S. Boccio, Esq.
Telephone: (212) 801-3769
Fax: (212) 801-3762
E-Mail: dboccio@levittboccio.com

If to the Bank:

Bank of America, N.A.
One Bryant Park, 35th Floor
New York, NY 10036
Attention: Todd Slagle
Telephone: (646) 855-1766
Fax: ()
E-mail: todd.slagle@baml.com

With a copy to:

Ryan Denes
Bank of America, N.A.
IL4-540-28-27
540 W Madison Street, Chicago, IL 60661
Telephone: (312) 992-2264
Fax: (312) 453-5974
E-Mail: ryan.denes@baml.com

and a copy to:

Schiff Hardin LLP
666 Fifth Avenue, Suite 1700
New York, New York 10103
Attention: Russel Hamilton
Telephone: (212) 745-0805
Fax: (212) 753-5044
E-mail: rhamilton@schiffhardin.com

If to the Administrative Agent:

Bank of America, N.A.
One Bryant Park, 35th Floor
New York, NY 10036
Attention: Todd Slagle
Telephone: (646) 855-1766
Fax: ()
E-mail: todd.slagle@baml.com

If to the Rating Agency:

S&P Global Ratings
55 Water Street, 41st Fl.
New York, NY 10041-0003
Attention: Structured Finance LOC Surveillance Group
E-Mail: pubfin_structured@spglobal.com

and

Moody's Investors Service
7 World Trade Center
250 Greenwich Street
23rd Floor
New York, NY 10007
Attention: Municipal Supported Products Group
Email: MSPGSurveillance@moodys.com

If to the Remarketing Agent:

Citigroup Global Markets Inc.
390 Greenwich St., 2nd Floor
New York, New York 10013
Attention: Short Term Manager
Telephone: (212) 723-5594
Fax: (212) 723-8939
E-Mail: robert.j.demichiel@citi.com

A duplicate copy of each notice, certificate or other communication given hereunder by one party to another party shall also be given to the others named in this Section. All other documents required to be submitted to any of the foregoing parties shall also be submitted to such party at its address set forth above. Any of the foregoing parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, documents or other communications shall be sent.

In addition to all other notices required by this Indenture, the Trustee covenants to provide the Rating Agency and the Remarketing Agent, notice of the following events upon their occurrence: (1) any change in the Trustee or the Remarketing Agent, (2) the termination, expiration, extension or renewal of a Credit Facility, (3) provision of an Alternate Credit Facility, (4) any amendment to this Indenture, any Credit Facility, any Reimbursement Agreement, the Mortgage Loan Documents or the Deed of Trust, if actually known to it, (5) any redemption of Bonds pursuant to Section 602, (6) defeasance in accordance with Article XII, (7) any Conversion, or (8) any mandatory tender or acceleration of the Bonds; provided, that the Trustee shall provide notice of any of the events listed in subsection (4) above of which the Trustee has actual knowledge.

Section 1305. Payments Due on Other Than Business Days. In any case where the date of payment of principal, premium, if any, or interest on the Bonds or the date fixed for redemption of any Bonds, on the date for performing any act or exercising any right, shall be a day other than a Business Day, then payment of interest or principal and premium, if any, or the performance of such act or exercise of such right need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if it had been made on the date scheduled for such payment, performance, or exercise.

Section 1306. Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1307. Applicable Law. This Indenture shall be governed by and construed in accordance with the laws of the State of California.

Section 1308. Captions. The captions or headings in this Indenture are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Indenture.

Section 1309. Compliance Certificates and Opinions. Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall, if applicable, comply with Section 713 and shall include:

- (a) a statement that the Person or Persons making such certificate or opinion have read such covenant or condition and the definitions herein relating thereto;
- (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
- (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with; and
- (d) a statement as to whether or not, in the opinion of the signers, such condition or covenant has been complied with.

Section 1310. Conflict with Trust Indenture Act of 1939. If this Indenture is required to be qualified under the Indenture Act and the Indenture Act requires that a provision be included in this Indenture that limits, qualifies or conflicts with another provision hereof, such required provision shall control.

Section 1311. Successors. Whenever in this Indenture either the Issuer or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Issuer or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 1312. Regulatory Agreement; Records. The Trustee shall hold in safekeeping, for seven years after any of the Bonds are outstanding, all documents, if any, delivered to it by the Issuer in respect of the Borrower's compliance with the Regulatory Agreement and all other

documents and records with respect to the Bonds. The Trustee may, or if the Issuer shall fail to act and the Trustee has actual knowledge thereof as provided in Section 904 or the Trustee is directed by the Issuer, the Trustee, shall, subject to the provisions hereof, including Section 901(g), take all actions available under the Regulatory Agreement to enforce compliance therewith.

Section 1313. Compliance with Secondary Disclosure Requirements of the Securities and Exchange Commission. Pursuant to Section 6.18 of the Loan Agreement, the Borrower has undertaken all responsibility to comply with the continuing disclosure requirements of Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"). Neither the Issuer nor the Trustee shall have any liability to the Owners of the Bonds or any other Person with respect to such disclosure matters. Notwithstanding any other provision of this Indenture, failure of the Borrower to comply with Section 6.18 of the Loan Agreement shall not be considered an Event of Default under this Indenture; however the disclosure agent may (and, at the request of the owners of at least a majority in aggregate principal amount of the Bonds Outstanding and payment of its fees and expenses, including attorneys' fees, shall) or any Bondowner may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Borrower or the disclosure agent, to comply with its obligations under Section 6.18 of the Loan Agreement.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Indenture to be signed all as of the day and year first above written.

CITY AND COUNTY OF SAN FRANCISCO

By _____
Its _____

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Its _____

EXHIBIT A

FORM OF VARIABLE RATE, FLEXIBLE RATE, INDEX RATE OR TERM RATE BOND

[Form of Face of Bond]

CITY AND COUNTY OF SAN FRANCISCO
VARIABLE RATE MULTIFAMILY HOUSING REVENUE BOND
(1601 MARIPOSA APARTMENTS),
2017 SERIES B-__ [(TAXABLE)]

No. __

CUSIP No. _____

DATED DATE: July [__], 2017

MATURITY DATE: July 1, 20[__]

INTEREST RATE: _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

THE CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation organized and existing under the laws of the State of California (the "Issuer"), for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, but solely from the sources and in the manner hereinbelow provided, on the Maturity Date specified above, unless this Bond shall have been duly called for prior redemption and payment of the redemption price hereof shall have been duly made or provided for, the Principal Amount set forth above and to pay to such Registered Owner from such sources interest thereon from the later of the date hereof or the most recent date to which interest has been paid or made available for payment, at the rate per annum determined on each Determination Date (as defined in the Indenture mentioned below), on each Interest Payment Date (as defined in said Indenture). The principal and Purchase Price of, premium, if any, and interest on the Bonds (as hereinbelow defined) shall be payable in lawful money of the United States of America.

The principal of this Bond and premium, if any, is payable, upon presentation and surrender hereof, at the principal corporate trust office (the "Principal Office") designated in writing by U.S. Bank National Association, or its successor, as trustee (the "Trustee") under the Indenture of Trust dated as of July 1, 2017 (the "Indenture"), between the Issuer and the Trustee. Payment of interest on this Bond shall be made to the Registered Owner hereof by wire transfer on the Interest Payment Date to the person in whose name this Bond is registered on the Business Day immediately preceding the applicable Interest Payment Date while this Bond is in uncertificated form (or on the fifth Business Day immediately preceding the Interest Payment Date if this Bond is in certificated form), using the wire instructions for such Registered Owner shown on the registration books of the Trustee. Notwithstanding the foregoing, as long as the Bonds are registered in the name of Cede & Co., or its registered assigns, as nominees of The Depository Trust Company ("DTC"), payments of principal of and interest on this Bond

will be made on the date such money is due and payable at the place and in the manner and notice shall be given, as provided in the Letter of Representations to DTC.

This Bond is one of the Issuer's Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B-__ [(Taxable)], in the aggregate principal amount of \$_____ (the "Bonds"), issued under and pursuant to the Charter of the City and County of San Francisco, Article I of Chapter 43 of the Administrative Code of the City and County of San Francisco Municipal Code and the Constitution and laws of the State of California, particularly Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, as amended. Concurrently with the issuance of the Bonds, the Issuer issued its Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B-__, in the principal amount of \$_____, and its Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B-__ [(Taxable)], in the principal amount of \$_____. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the owners of the Bonds, of the nature and extent of the security for the Bonds, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Issuer thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

All capitalized terms used but not defined herein shall have the meanings given in the Indenture.

While bearing interest at a Daily Rate, Weekly Rate or Flexible Rate, the rate of interest hereon shall be calculated on the basis of a year of 365 or 366 days, as appropriate, for the actual number of days elapsed; while bearing interest at an Index Rate, the rate of interest hereon shall be calculated on the basis of a year of 360 days and the actual days elapsed; and while bearing interest at a Term Rate, the rate of interest hereon shall be calculated on the basis of a year of 360 days comprised of twelve 30-day months. The rate of interest hereon shall be a rate determined by the remarketing agent appointed pursuant to the Indenture (the "Remarketing Agent"), on each Determination Date. While bearing interest at a Daily Rate, Weekly Rate or Flexible Rate, the interest determined by the Remarketing Agent shall be that rate of interest which, if borne by the Bonds, would, in its judgment having due regard to prevailing financial market conditions, be the interest rate necessary, but which would not exceed the interest rate necessary, to produce as nearly as practicable a par bid (disregarding accrued interest) if Bonds were sold on the Determination Date; provided, however, that the interest rate so determined will not at any time exceed ten percent (10%) per annum unless and to the extent that a Credit Facility is delivered to the Trustee in an amount equal to the then outstanding principal amount of the Bonds plus interest thereon for the applicable Coverage Amount at such higher Maximum Interest Rate. While bearing interest at an Index Rate, the floating rate of interest hereon shall be determined as provided in the Indenture.

The determination of the interest rate by the Remarketing Agent shall (in the absence of manifest error) be conclusive and binding on the owners of the Bonds, the Issuer, the applicable Credit Provider, the Trustee and the Remarketing Agent. Any Registered Owner may obtain information on the interest rate by request to the Trustee.

While bearing interest at a Daily Rate or a Weekly Rate, any Bond or \$5,000 units of principal amount thereof in excess of \$100,000 (so long as the remaining portion of any such Bond purchased in part is also in an Authorized Denomination) will be purchased on any Business Day until and including the date of Conversion to a Flexible Rate, a Term Rate or the Fixed Rate, on demand of the Registered Owner or Beneficial Owner of such Bond, at a

purchase price equal to 100% of the principal amount thereof, plus interest accrued thereon, if any, to the date of purchase upon (a) delivery at the time set forth in the Indenture, to the Trustee and the Remarketing Agent of an irrevocable written notice (a "Tender Notice") that states (i) the principal amount of such Bond for which payment is demanded, and (ii) the CUSIP numbers of the Bonds to be tendered, (iii) the date on which such Bond or portion thereof shall be purchased (the "Demand Date"), (A) which date shall be any Business Day with respect to Daily Rate Bonds, or (B) which date shall be a Business Day not prior to the seventh day next succeeding the date of the receipt of the Tender Notice by the Trustee and Remarketing Agent with respect to Weekly Rate Bonds; and (b) if the Bond is in certificated form, delivery to the Trustee or the Remarketing Agent, at the time set forth in the Indenture, on the Demand Date, of such Bond (with an appropriate transfer of registration form executed in blank and in form satisfactory to the Trustee).

While bearing interest at Daily Rate, a Weekly Rate, a Flexible Rate, an Index Rate or a Term Rate, all Bonds of a subseries may become subject to mandatory tender for purchase will be purchased at a purchase price equal to 100% of the principal amount thereof, plus interest accrued thereon, if any, to the date of purchase on each Conversion to a new interest rate mode, upon substitution of a Substitute Letter of Credit or Alternate Credit Facility, or upon the termination of an existing Credit Facility, as further provided in the Indenture.

Payment of the Purchase Price of any Bond so delivered shall be made by wire transfer, as designated in the Tender Notice. No Bonds shall be so purchased if an Event of Default under Section 801(a) or (b) of the Indenture shall have occurred and be continuing. No Bonds shall be remarketed if all of the Bonds shall have been called for redemption or mandatory tender unless the new purchaser has received prior notice from the Remarketing Agent of such redemption or tender.

The Bonds shall initially bear interest at a [] Rate. The rate of interest on this subseries of the Bonds may, at the option of the Borrower, be established at a fixed rate to maturity or be established from time to time at a Daily Rate, a Weekly Rate, a Flexible Rate, an Index Rate or a Term Rate on any date provided in the Indenture (the "Conversion Date") and otherwise in accordance with the procedures set forth in the Indenture. The Trustee shall give notice of conversion to the owners of this subseries of the Bonds, in the same manner that notices of redemption are given, not less than 10 days before the Conversion Date, specifying that this subseries of the Bonds are subject to mandatory tender for purchase on the Conversion Date. IF THIS BOND IS NOT TENDERED FOR PURCHASE BY THE CONVERSION DATE, IT WILL BE DEEMED TO HAVE BEEN SO TENDERED AND PURCHASED ON THE CONVERSION DATE, AT A PRICE EQUAL TO THE PRINCIPAL AMOUNT HEREOF PLUS INTEREST ACCRUED TO THE CONVERSION DATE.

The Bonds are limited obligations of the Issuer, payable solely from certain Revenues, the Trust Estate, including a Deed of Trust, and other funds and moneys pledged and assigned under the Indenture. None of the Issuer, the State or any political subdivision thereof (except the Issuer, to the limited extent authorized by the Act and set forth herein) nor any public agency shall in any event be liable for the payment of the principal or purchase price of, or premium (if any) or interest on, the Bonds or for the performance of any pledge, obligation or agreement of any kind whatsoever except as set forth herein, and, notwithstanding anything herein or in any other instrument to the contrary, none of the Bonds or any of the Issuer's agreements or obligations shall be construed to constitute an indebtedness of or a pledge of the faith and credit of or a loan of the credit of or a moral obligation of any of the foregoing within the meaning of any constitutional or statutory provision whatsoever.

Neither the faith and credit nor the taxing power of the State, the Issuer, any public agency or any political subdivision of the State is pledged to the payment of the principal of, premium, if any, purchase price of or interest on the Bonds, nor is the State, the Issuer, any public agency or any political subdivision of the State, in any manner obligated to make any appropriation for such payment.

This Bond shall not be valid or obligatory for any purpose or be entitled to any benefit under the Indenture unless this Bond is authenticated by the Trustee by the due execution of the Trustee's certificate endorsed hereon.

The Bonds are special, limited obligations of the Issuer and, as and to the extent set forth in the Indenture, are payable solely from, and secured by a pledge of and lien on, certain Revenues (as defined in the Indenture), consisting primarily of [amounts drawn under an irrevocable direct-pay letter of credit issued by Bank of America, N.A. (the "Bank"), for the account of Related/Mariposa Development Co., L.P., a [] limited partnership (the "Borrower"), in favor of the Trustee concurrently with the issuance of the Bonds, or any qualified letter of credit issued in substitution therefor (such initial letter of credit or substitute being referred to herein as the "Letter of Credit") or Alternate Credit Facility, provided in accordance with the Indenture]. The Bonds are issued to provide funds to fund a loan (the "Mortgage Loan") to the Borrower pursuant to a Loan Agreement, dated as of July 1, 2017 (the "Loan Agreement") among the Issuer, the Trustee and the Borrower, to finance multifamily housing facilities (the "Project").

The Bonds will be subject to a mandatory tender on the Substitution Date of any Substitute Letter of Credit or Alternate Credit Facility. THIS BOND WILL BE DEEMED TO BE TENDERED ON THE SUBSTITUTION DATE AND SHALL BE PURCHASED ON SUCH DATE, AT A PRICE EQUAL TO THE PRINCIPAL AMOUNT HEREOF PLUS INTEREST ACCRUED TO THE SUBSTITUTION DATE.

The Bonds are issuable only as fully registered Bonds without coupons in denominations of \$100,000 or any integral multiple of \$5,000 in excess of thereof except as otherwise provided in the Indenture. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount and of other Authorized Denominations, as defined in the Indenture.

This Bond is transferable by the Registered Owner hereof, in person, or by its attorney duly authorized in writing, at the Principal Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds of Authorized Denomination or denominations, and for the same aggregate principal amount, will be issued to the transferee in exchange herefor. The Issuer and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Issuer and the Trustee shall not be affected by any notice to the contrary.

The Bonds are subject to mandatory and optional redemption prior to their stated maturity as set forth in the Indenture.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all or a portion of the Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture.

The Indenture contains provisions permitting the Issuer and the Trustee to execute supplemental indentures adding provisions to, or changing or eliminating any of the provisions of, the Indenture, subject to the limitations set forth in the Indenture.

No officer, official, agent or employee of the Issuer, and no officer, official, agent or employee of the State of California, nor any person executing this Bond, shall in any event be subject to any personal liability or accountability by reason of the issuance of the Bonds.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the City and County of San Francisco has caused this Bond to be executed with the manual signature of an authorized officer all as of the Dated Date set forth above.

CITY AND COUNTY OF SAN FRANCISCO

By _____
Its _____

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture and has been registered on this date.

Date: _____

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signatory

FORM OF BOND UPON FIXED RATE CONVERSION

[Form of Face of Bond]

CITY AND COUNTY OF SAN FRANCISCO
MULTIFAMILY HOUSING REVENUE BOND
(1601 MARIPOSA APARTMENTS),
2017 SERIES B-__ [(TAXABLE)]

No.

CUSIP No.

DATED DATE:

MATURITY DATE: July 1, 20[___]

FIXED INTEREST RATE: _____%

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

THE CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation organized and existing under the laws of the State of California (the "Issuer"), for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, but solely from the sources and in the manner hereinbelow provided, on the Maturity Date specified above, unless this Bond shall have been duly called for prior redemption and payment of the redemption price hereof shall have been duly made or provided for, the Principal Amount set forth above and premium, if any, and to pay to such Registered Owner from such sources interest thereon from the later of the date hereof or the most recent date to which interest has been paid or made available for payment, at the rate per annum equal to the Fixed Interest Rate stated above, on July 1 and December 1 of each year, commencing _____ (each, an "Interest Payment Date" as defined in the Indenture). Interest on this Bond shall be computed on the basis of a 360-day year consisting of twelve 30-day months. If an Interest Payment Date is not a Business Day, the amount due and payable on such date shall be paid on the next succeeding Business Day. The principal of, premium, if any, and interest on the Bonds (as hereinbelow defined) shall be payable in lawful money of the United States of America.

The principal of and premium, if any, on this Bond are payable, upon presentation and surrender hereof, at the principal corporate trust office (the "Principal Office") designated in writing by U.S. Bank National Association or its successor, as trustee (the "Trustee") under the Indenture of Trust dated as of July 1, 2017 (the "Indenture"), between the Issuer and the Trustee. Payment of interest on this Bond shall be made to the Registered Owner hereof by wire transfer on the Interest Payment Date to the person in whose name this Bond is registered on the fifteenth calendar day of the month preceding the applicable Interest Payment Date, pursuant to the wire instructions for such Registered Owner shown on the books of the Trustee.

This Bond is one of the Issuer's Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B-__ [(Taxable)], in the aggregate principal amount of \$_____ (the "Bonds"), issued under and pursuant to the Charter of the City and County of San

Francisco, Article I of Chapter 43 of the Administrative Code of the City and County of San Francisco Municipal Code and the Constitution and laws of the State of California, particularly Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, as amended. Concurrently with the issuance of the Bonds, the Issuer issued its Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B-___, in the principal amount of \$_____, and its Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B-___ [(Taxable)], in the principal amount of \$_____. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the owners of the Bonds, of the nature and extent of the security for the Bonds, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Issuer thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds are limited obligations of the Issuer, payable solely from certain Revenues, the Trust Estate, including a Deed of Trust, and other funds and moneys pledged and assigned under the Indenture. None of the Issuer, the State or any political subdivision thereof (except the Issuer, to the limited extent authorized by the Act and set forth herein) nor any public agency shall in any event be liable for the payment of the principal of, or premium (if any) or interest on, the Bonds or for the performance of any pledge, obligation or agreement of any kind whatsoever except as set forth herein, and, notwithstanding anything herein or in any other instrument to the contrary, none of the Bonds or any of the Issuer's agreements or obligations shall be construed to constitute an indebtedness of or a pledge of the faith and credit of or a loan of the credit of or a moral obligation of any of the foregoing within the meaning of any constitutional or statutory provision whatsoever.

Neither the faith and credit nor the taxing power of the State, the Issuer, any public agency or any political subdivision of the State is pledged to the payment of the principal of, premium, if any, or interest on the Bonds, nor is the State, the Issuer, any public agency or any political subdivision of the State, in any manner obligated to make any appropriation for such payment.

This Bond shall not be valid or obligatory for any purpose or be entitled to any benefit under the Indenture unless this Bond is authenticated by the Trustee by the due execution of the Trustee's certificate endorsed hereon.

The Bonds are special, limited obligations of the Issuer and, as and to the extent set forth in the Indenture, are payable solely from, and secured by a pledge of and lien on, certain Revenues (as defined in the Indenture), consisting primarily of [amounts drawn under an irrevocable direct-pay letter of credit issued by Bank of America, N.A. (the "Bank"), for the account of Related/Mariposa Development Co., L.P., a [_____] limited partnership (the "Borrower"), in favor of the Trustee concurrently with the issuance of the Bonds, or any qualified letter of credit issued in substitution therefor (such initial letter of credit or substitute being referred to herein as the "Letter of Credit")]. The Bonds were issued in order to fund a loan (the "Loan") to the Borrower pursuant to a Loan Agreement, dated as of July 1, 2017 (the "Loan Agreement") among the Issuer, the Trustee and the Borrower, to finance multifamily housing facilities (the "Project").

The Bonds are issuable only as fully registered Bonds without coupons in denominations of \$5,000 or any integral multiple thereof, except as otherwise provided in the Indenture. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture,

Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Bonds of other Authorized Denominations, as defined in the Indenture.

This Bond is transferable by the Registered Owner hereof, in person, or by its attorney duly authorized in writing, at the Principal Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds, of Authorized Denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange herefor. The Issuer and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Issuer and the Trustee shall not be affected by any notice to the contrary.

The Bonds are subject to mandatory redemption, mandatory sinking fund redemption and optional redemption prior to their stated maturity as set forth in the Indenture.

If an Event of Default, as defined in the Indenture, occurs, the principal of all or a portion of the Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture.

The Indenture contains provisions permitting the Issuer and the Trustee to execute supplemental indentures adding provisions to, or changing or eliminating any of the provisions of, the Indenture, subject to the limitations set forth in the Indenture.

All capitalized terms used but not defined herein shall have the meanings given in the Indenture.

No officer, agent or employee of the Issuer, and no officer, official, agent or employee of the State of California, nor any person executing this Bond, shall in any event be subject to any personal liability or accountability by reason of the issuance of the Bonds.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the City and County of San Francisco has caused this Bond to be executed with the manual signature of an authorized officer as of the Dated Date set forth above.

CITY AND COUNTY OF SAN FRANCISCO

By _____
Its _____

[Form of]

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture and has been registered on this date:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signatory

[Form of]

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within Bond and do(es) hereby irrevocably constitutes and appoint _____ attorney, to transfer the same on the books of the Trustee, with full power of substitution in the premises.

Dated: _____

Registered Owner

Signature Guaranteed:

Signature(s) must be guaranteed
pursuant to law.

NOTICE: The signature on this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever. The Trustee will register a Bond in the name of a transferee only if provided with the information requested above. The transferee (or his designated representative) should provide as much of the information requested below as is applicable to him prior to submitting this Bond for transfer.

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

TEN ENT -- as tenants by the entireties

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT (TRANSFERS) MIN ACT –

_____ Custodian _____
(Cust) (Minor)
under Uniform Gifts (Transfers) to Minors Act

(State)

Additional abbreviations may also be used, though not in the above list.

EXHIBIT B

Initial Deposit of Funds

Indenture Section 303

Sources	Tax-Exempt Account of the Mortgage Loan Fund	Taxable Account of the Mortgage Loan Fund	Cost of Issuance Fund	Total
---------	---	--	--------------------------	-------

TOTAL

\$

EXHIBIT C

City and County of San Francisco Mandatory Contracting Provisions

The following provisions shall apply to this Indenture as if set forth in the body thereof. Capitalized terms used but not defined in this Exhibit C shall have the meanings given in this Indenture. For purposes of this Exhibit, "Contractor" shall mean the Trustee and "City" shall mean Issuer.

1. **Nondiscrimination; Penalties.**

a. **Nondiscrimination.** In the performance of this Indenture (the "Agreement"), the Contractor agrees not to discriminate against any employee, City employee working with the Contractor, applicant for employment with the Contractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. **Subcontracts.** The Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from the City) and shall require all subcontractors to comply with such provisions. The Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. **Nondiscrimination in Benefits.** The Contractor, as of the date of this Agreement, does not and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by the City, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

d. **Condition to Contract.** As a condition to this Agreement, the Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

e. **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though

fully set forth herein. The Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, the Contractor understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against the Contractor and/or deducted from any payments due the Contractor.

2. MacBride Principles—Northern Ireland. Pursuant to San Francisco Administrative Code §12F.5, the City urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this Agreement on behalf of the Contractor acknowledges and agrees that he or she has read and understood this section.

3. Tropical Hardwood and Virgin Redwood. Pursuant to §804(b) of the San Francisco Environment Code, the City urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

4. Drug-Free Workplace Policy. The Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. The Contractor agrees that any violation of this prohibition by the Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

5. Compliance with Americans with Disabilities Act. The Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. The Contractor shall provide the services specified in this Indenture in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. The Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of the Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

6. Sunshine Ordinance. In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between the City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

7. Limitations on Contributions. Through execution of this Agreement, the Contractor acknowledges that it is familiar with Section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease

of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. The Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. The Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of the Contractor's board of directors; the Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in the Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by the Contractor. Additionally, the Contractor acknowledges that the Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in said Section 1.126. The Contractor further agrees to provide to the City the names of each person, entity or committee described above.

8. Requiring Minimum Compensation for Covered Employees. The Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of the Contractor's obligations under the MCO is set forth in this Section. The Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12P. Consistent with the requirements of the MCO, the Contractor agrees to all of the following:

- a. The MCO requires the Contractor to pay the Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and the Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by the Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is the Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, the City may pursue any of the remedies set forth in this Section against the Contractor. Nothing in this Section shall be deemed to grant the Contractor the right to subcontract.
- b. The Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.
- c. The Contractor shall maintain employee and payroll records as required by the MCO. If the Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

d. The City, upon reasonable notice to the Contractor, is authorized to inspect the Contractor's job sites during normal business hours.

e. The Contractor's commitment to provide the minimum compensation required by the MCO is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fail to comply with these requirements. The Contractor agree that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for the Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

f. The Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including at its option the liquidated damages provided for therein), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, the Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, the Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

g. The Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

h. If the Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with the City for the fiscal year is less than \$25,000, but the Contractor later enters into an agreement or agreements that cause the Contractor to exceed that amount in a fiscal year, the Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and the City to exceed \$25,000 in the fiscal year.

9. Requiring Health Benefits for Covered Employees. The Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, the Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If the Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

- b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.
- c. The Contractor's failure to comply with the HCAO shall constitute a material breach of this Agreement. The City shall notify the Contractor if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, the Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, the Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.
- d. Any Subcontract entered into by the Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. The Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. The Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against the Contractor based on the Subcontractor's failure to comply, provided that the City has first provided the Contractor with notice and an opportunity to obtain a cure of the violation.
- e. The Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying the City with regard to the Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.
- f. The Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.
- g. The Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the Agreement.
- h. The Contractor shall keep itself informed of the current requirements of the HCAO.
- i. The Contractor shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.
- j. The Contractor shall provide the City with access to records pertaining to compliance with HCAO after receiving a written request from the City to do so and being provided at least ten business days to respond.

k. The Contractor shall allow the City to inspect the Contractor's job sites and have access to the Contractor's employees in order to monitor and determine compliance with HCAO.

l. The City may conduct random audits of the Contractor to ascertain its compliance with HCAO. The Contractor agrees to cooperate with the City when it conducts such audits.

m. If the Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but the Contractor later enters into an agreement or agreements that cause either Contractor's aggregate amount of all agreements with the City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and the City to be equal to or greater than \$75,000 in the fiscal year.

10. Prohibition on Political Activity with City Funds. In accordance with San Francisco Administrative Code Chapter 12.G, the Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. The Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event the Contractor violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit the Contractor from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider the Contractor's use of profit as a violation of this section.

11. Protection of Private Information. The Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. The Contractor agrees that any failure of the Contractor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of this Agreement. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate this Agreement, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

12. Graffiti Removal. Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and its residents, and to prevent the further spread of graffiti.

The Contractor shall remove all graffiti from any real property owned or leased by the Contractor in the City and County of San Francisco within forty eight (48) hours of the earlier of the

Contractor's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require the Contractor to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.). Any failure of the Contractor to comply with this section of this Agreement shall constitute a breach of this Agreement.

13. Airport Intellectual Property. Pursuant to Resolution No. 01-0118, adopted by the City on April 18, 2001, the City affirmed that it will not tolerate the unauthorized use of its intellectual property, including the SFO logo, CADD designs, and copyrighted publications. All proposers, bidders, contractors, tenants, permittees, and others doing business with or at the Airport (including subcontractors and subtenants) may not use the Airport intellectual property, or any intellectual property confusingly similar to the Airport intellectual property, without the Airport Director's prior consent.

14. Submitting False Claims; Monetary Penalties. Pursuant to San Francisco Administrative Code §21.35, any Contractor, subcontractor or consultant who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. The text of Section 21.35, along with the entire San Francisco Administrative Code is available on the web at <http://www.municode.com/Library/clientCodePage.aspx?clientID=4201>. An underwriter, bank, subcontractor or consultant who submits a false claim shall also be liable to the City for the costs, including attorneys' fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City for a civil penalty of up to \$10,000 for each false claim. An underwriter, subcontractor or consultant will be deemed to have submitted a false claim to the City if the underwriter, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

15. Conflict of Interest. Through its execution of this Agreement, the Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this

Agreement.

16. Assignment. The Contractor is prohibited from assigning, delegating or transferring this Agreement or any part of it unless such assignment, delegation or transfer is first approved by City in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. Any contract made in violation of this provision shall confer no rights on any party and shall be null and void.

17. Food Service Waste Reduction Requirements. The Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, the Contractor agrees that if either breaches this provision, the City will suffer actual damages that will be impractical or extremely difficult to determine; further, the Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that the City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by the City because of the Contractor's failure to comply with this provision.

18. Proprietary or Confidential Information of City. The Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, the Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to the City. The Contractor agrees that all information disclosed by City to the Contractor shall be held in confidence and used only in the performance of this Agreement. The Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

19. Earned Income Credit (EIC) Forms. Administrative Code Section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found. The Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Indenture becomes effective (unless the Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by the Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by the Contractor of the terms of this Agreement. If, within thirty days after the Contractor receives written notice of such a breach, the Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, the Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Indenture or under applicable law. Any Subcontract entered into by the Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible

Employees, with each of the terms of this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

EXHIBIT D

Form of Transferee Representations

[Date of Transfer]

City and County of San Francisco
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102

U.S. Bank National Association
1 California Street, Suite 1000
San Francisco, California 94111

Re: \$_____ City and County of San Francisco Variable Rate Multifamily
Housing Revenue Bonds (1601 Mariposa Apartments) 2017 Series B -
[(Taxable)]

Ladies and Gentlemen:

The undersigned, as transferee and beneficial owner (the "Owner") of the bonds captioned above, maturing on _____, 20__ in the principal amount of \$_____ (the "Bonds"), from _____ (the "Transferee/Remarketing Agent"), hereby certifies, represents and warrants to the CITY AND COUNTY OF SAN FRANCISCO (the "Issuer") and U.S. BANK NATIONAL ASSOCIATION (the "Trustee"), as Issuer and Trustee, respectively, under an Indenture of Trust, dated as of July 1, 2017 (the "Indenture"), that:

1. The Owner has sufficient knowledge and experience in financial and business matters with respect to the evaluation of residential real estate developments such as the Project to be able to evaluate the risk and merits of the investment represented by the Bonds. We are able to bear the economic risks of such investment.

2. The Owner acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information of the Borrower, to which a reasonable investor would attach significance in making investment decisions, and the Owner has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer, the Project, the use of proceeds of the Funding Loan and the security therefor so that, as a reasonable investor, the Owner has been able to make its decision to purchase the Bonds. The Owner acknowledges that it has not relied upon the addressees hereof for any information in connection with the Owner's purchase of the Bonds.

3. The Owner is an Approved Transferee (as defined in the Indenture).

4. The Owner acknowledges that it is purchasing the Bonds for investment for its own account and not with a present view toward resale or the distribution thereof, in that it does not now intend to resell or otherwise dispose of all or any part of its interests in the Bonds; provided, however, that the Owner may, sell or assign the Bonds or participations in the Bonds as provided in and subject to the limitations in the Indenture.

5. The Owner understands that each Bond is a limited obligation of the Issuer, payable solely from funds and moneys pledged and assigned under the Indenture, and that the liabilities and obligations of the Issuer with respect to the Bonds are expressly limited as set forth in the Indenture and related documents.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Indenture.

[], as Owner

By:
Name:
Its:

LOAN AGREEMENT

By and Among

CITY AND COUNTY OF SAN FRANCISCO, as Issuer

RELATED/MARIPOSA DEVELOPMENT CO., L.P., as Borrower

and

U.S. BANK NATIONAL ASSOCIATION, as Trustee

Dated as of July 1, 2017

The interest of the City and County of San Francisco (the "Issuer") in this Loan Agreement will, with certain exceptions relating to the right to reports, fees, indemnification and enforcement, be assigned to U.S. Bank National Association, as trustee under an Indenture of Trust, dated as of July 1, 2017, between the Issuer and said Trustee in connection with the issuance of the following bonds:

\$ _____
City and County of San Francisco
Variable Rate Multifamily Housing Revenue Bonds
(1601 Mariposa Apartments),
2017 Series B

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LOAN AGREEMENT

THIS LOAN AGREEMENT (the "Loan Agreement"), dated as of July 1, 2017, is by and among the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation organized and existing under the laws of the State of California (the "Issuer"), RELATED/MARIPOSA DEVELOPMENT CO., L.P., a [] limited partnership, as borrower (the "Borrower"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Issuer is authorized by the Charter of the City and County of San Francisco, Article I of Chapter 43 of the Administrative Code of the City and County of San Francisco Municipal Code and Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, each as amended (collectively, the "Act"), to assist in the financing of multifamily housing projects in the territorial jurisdiction of the Issuer; and

WHEREAS, the Act authorizes the Issuer: (a) to issue its revenue bonds and to pay all incidental expenses incurred in connection with the issuance of such bonds; (b) to use bond proceeds to make mortgage loans used to finance multifamily housing projects; (c) to enter into agreements for the purpose of providing revenue to pay the bonds authorized to be issued under the Act upon such terms and conditions as the Issuer deems advisable; and (d) to secure the payment of the principal of, premium, if any, and interest on such bonds as provided in the Act; and

WHEREAS, the Issuer wishes to make a mortgage loan (the "Mortgage Loan") to the Borrower, to finance the acquisition and construction of a 299-unit multifamily rental housing facility located at 1601 and 1677 Mariposa Street, 485-497 Carolina Street, 395 and 420 Wisconsin Street and 210 Arkansas Street in San Francisco, California (the "Project"), all as more fully described in Exhibit A attached hereto; and

WHEREAS, to finance the Mortgage Loan, the Issuer has determined to issue, sell and deliver the City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B, in the principal amount of \$_____ (the "Bonds"), consisting of three subseries, including 2017 Series B-1, in the principal amount of \$_____ (the "Series B-1 Bonds"), 2017 Series B-2, in the principal amount of \$_____ (the "Series B-2 Bonds"), and 2017 Series B-3 (Taxable), in the principal amount of \$_____ (the "Series B-3 Bonds"); and

WHEREAS, each Subseries of the Bonds will be issued pursuant to a single Indenture of Trust, of even date herewith (the "Indenture"), by and between the Issuer and the Trustee, and will be secured and supported by: (a) a promissory note to evidence the principal amount of the Mortgage Loan originated pursuant to this Loan Agreement; (b) a pledge of the Revenues derived by the Issuer pursuant to the Mortgage Loan; (c) the Deed of Trust, as defined in the Indenture; and (d) a letter of credit for one or more of such Subseries (each, a "Letter of Credit") issued by Bank of America, N.A. (the "Bank") and delivered to the Trustee; and

WHEREAS, the Issuer proposes to originate the Mortgage Loan to the Borrower, and the Borrower desires to borrow funds to finance the Project and certain incidental costs upon the terms and conditions set forth herein; and

WHEREAS, the Project is to be occupied in part by individuals or families of low or very low income; and

WHEREAS, the Issuer and the Borrower have executed and delivered a Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), pursuant to which the Borrower has agreed to use and operate the Project in accordance with requirements of the Act, the Code and the Issuer.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and undertakings set forth herein, the parties hereto agree as follows:

ARTICLE I DEFINITIONS AND INTERPRETATION

Section 1.1. Definitions. Capitalized terms used herein but not defined have the meanings set forth in Article I of the Indenture. The following words and terms as used in this Loan Agreement have the following meanings unless the context or use otherwise requires:

"Borrower Representative" means the person or persons at the time designated by the Borrower to act on behalf of the Borrower by written certificate furnished to the Issuer, the Credit Provider and the Trustee containing the specimen signatures of such person or persons and signed on behalf of the Borrower by one of the Borrower's principals. Such certificate may designate an alternate or alternates.

"Event of Default" means any of the events described as an event of default in Section 7.1 hereof.

"Funding Requisition" means the requisition form requesting disbursement of moneys from the Mortgage Loan Fund substantially in the form attached hereto as Exhibit B.

"Loan Agreement" means this Loan Agreement, dated as of July 1, 2017, by and among the Issuer, the Borrower and the Trustee, as amended and supplemented from time to time.

"Transfer" means the sale, transfer, lease, encumbrance or other conveyance of title to ownership of or an interest in the Project or any portion thereof, including to a "related person" pursuant to the provisions of Section 267 or 707(b) or under Section 1563(a) of the Code.

"Transferee" means the person to whom the Borrower Transfers the Project or any portion thereof.

Such capitalized terms as are not defined herein shall have the meanings assigned to them in the Indenture.

Section 1.2. Interpretation. Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Loan Agreement and all the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

Section 1.3. Recitals, Titles and Headings. The terms and phrases used in the recitals of this Loan Agreement have been included for convenience of reference only, and the meaning, construction and interpretation of all such terms and phrases for purposes of this Loan Agreement shall be determined by references to Section 1.1 hereof. The titles and headings of the articles and sections of this Loan Agreement have been inserted for convenience of reference only and are not to be considered a part hereof, and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Loan Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the Issuer. The Issuer represents and warrants as follows:

(a) The Issuer is a municipal corporation, organized and existing under the laws of the State of California, and duly authorized to issue the Bonds and to perform its obligations under this Loan Agreement.

(b) This Loan Agreement, when duly accepted and executed by the Issuer and the other parties hereto, will constitute the legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws or judicial decisions affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) No litigation is pending or, to the best of the Issuer's knowledge, threatened against the Issuer that would prohibit its entering into this Loan Agreement or consummating the transactions contemplated hereby.

(d) The Issuer shall use its best efforts to issue the Bonds and shall use the proceeds thereof to make the Mortgage Loan subject to the provisions of this Loan Agreement. Nothing in this Loan Agreement shall be construed as requiring the Issuer to provide construction financing or requiring the Issuer to provide sufficient moneys for all the construction and permanent financing needs of the Project.

(e) The Trustee, in its name or in the name of the Issuer, may, for and on behalf of the Bondowners, enforce all rights of the Issuer and all obligations of the Borrower under and pursuant to this Loan Agreement and the other Mortgage Loan Documents (other than Unassigned Rights), whether or not the Issuer has pursued or attempted to enforce any of such rights and obligations.

(f) There is no action, suit, proceeding, inquiry or investigation by or before any court, governmental agency or public board or body pending against the Issuer or, to the best knowledge of the Issuer, threatened against the Issuer that (i) affects or seeks to prohibit, restrain or enjoin the issuance of the Bonds, or the execution and delivery of the Bonds or the loaning of the proceeds of the Bonds to the Borrower, or the execution and delivery of the Indenture, any Letter of Credit or the Mortgage Loan Documents, (ii) affects or questions the validity or enforceability of the Bonds, the Indenture, any Letter of Credit or the Mortgage Loan Documents, or (iii) questions the tax-exempt status of the Tax-Exempt Bonds.

(g) The Issuer, by resolution duly adopted, has duly authorized the sale, issuance, execution and delivery of the Bonds, the execution and delivery of this Loan Agreement, the Indenture, the Bond Purchase Agreement, the Regulatory Agreement, the Remarketing Agreement and the Tax Certificate and the performance of its obligations hereunder and thereunder.

(h) To the best knowledge of the Issuer, the execution and delivery of this Loan Agreement, the Indenture, the Bond Purchase Agreement, the Regulatory Agreement, the Remarketing Agreement and the Tax Certificate, the performance by the Issuer of its obligations hereunder and thereunder, and the consummation of the transactions contemplated hereby and thereby do not and will not violate any law, regulation, rule or ordinance or any order, judgment or decree of any federal, state or local court, and do not and will not conflict with or constitute a material breach of, or a material default under any constitutional provision or statute of the state or of any document, instrument or commitment to which the Issuer is a party or by which the Issuer or any of its property is bound.

Section 2.2. General Representations, Warranties and Covenants of the Borrower.
The Borrower represents, as of the date hereof, and warrants and covenants that:

(a) The Borrower has full legal right, power and authority under its organizational documents and the laws of the [State of Delaware and the] State of California, and has due authorization (A) to enter into the Mortgage Loan Documents, (B) to be bound by the terms of the Indenture to the extent that they apply to the Mortgage Loan, (C) to perform its obligations under the Mortgage Loan Documents, and (D) to consummate the transactions contemplated by the Mortgage Loan Documents.

(b) The Borrower has duly authorized (A) the execution and delivery of the Mortgage Loan Documents, (B) the performance by the Borrower of its obligations hereunder and thereunder, and (C) the consummation of the transactions contemplated by the Mortgage Loan Documents.

(c) The Mortgage Loan Documents have been duly executed and delivered by the Borrower and each constitutes a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws or judicial decisions affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(d) To the best knowledge of the Borrower, the execution and delivery of the Mortgage Loan Documents, the performance by the Borrower of its obligations hereunder and thereunder, and the consummation of the transactions contemplated hereby and thereby to be performed by the Borrower do not and will not violate any law, regulation, rule or ordinance or any order, judgment or decree of any federal, state or local court, and do not and will not conflict with or constitute a material breach of, or a material default under, the Borrower's organizational documents or any document, instrument or commitment to which the Borrower is a party or by which the Borrower or any of its property is bound.

(e) There is no action, suit, proceeding, inquiry or investigation by or before any court, governmental agency or public board or body pending against the Borrower or, to the best knowledge of the Borrower, threatened against the Borrower which (A) affects or seeks to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds or the loaning of the

proceeds of the Bonds to the Borrower, or the execution and delivery of the Indenture, any Letter of Credit, the Mortgage Loan Documents or the Reimbursement Agreement; (B) affects or questions the validity or enforceability of the Bonds, the Indenture, the Reimbursement Agreement, any Letter of Credit, or the Mortgage Loan Documents; (C) questions the tax-exempt status of the Tax-Exempt Bonds; or (D) questions the power or authority of the Borrower to carry out the transactions contemplated by, or to perform its obligations contemplated by, or to perform its obligations under the Reimbursement Agreement or the Mortgage Loan Documents, or the powers of the Borrower to own, operate or lease the Project Facilities.

(f) The Borrower is not in material default under any document, instrument or commitment to which the Borrower is a party or to which it or any of its property is subject which default would or could materially adversely affect the ability of the Borrower to carry out its obligations under the Mortgage Loan Documents or the Reimbursement Agreement.

(g) Any certificate signed by a Borrower Representative and delivered pursuant to the Mortgage Loan Documents, the Reimbursement Agreement or the Indenture shall be deemed a representation and warranty by the Borrower as to the statements made therein.

(h) Concurrently with the execution of this Agreement and the Reimbursement Agreement, the Borrower will cause to be delivered to the Trustee, for the benefit of the owners of the Bonds, the Letters of Credit.

(i) In the event the Mortgage Loan proceeds are not sufficient to complete the Project, the Borrower will furnish any additional moneys from sources other than the Mortgage Loan in amounts necessary to complete the Project in accordance with the Reimbursement Agreement.

(j) The Indenture has been submitted to the Borrower for its examination, and the Borrower acknowledges, by execution of this Agreement, that it will be bound by the terms thereof to the extent applicable to the Borrower.

(k) None of the portions of the official statement with respect to the Borrower or the Project under the headings "THE PROJECT AND THE BORROWER," "ESTIMATED SOURCES AND USES OF FUNDS" and "ABSENCE OF MATERIAL LITIGATION - The Borrower," or any other document, certificate or statement (including but not limited to information and estimates with respect to the Project) furnished to the Bank, the Issuer or Bond Counsel by or on behalf of the Borrower, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained therein not misleading or incomplete as of the date hereof and as of Bond Closing. It is specifically understood by the Borrower that all such statements, representations and warranties and the statements, representations and warranties with respect to the Borrower and the Project in the Mortgage Loan Documents shall be deemed to have been relied upon by the Issuer as an inducement to make the Mortgage Loan, and by the Bank as an inducement to the Bank to issue the Letters of Credit, and that if any such statements, representations and warranties were materially incorrect at the time they were made or as of Bond Closing, the Issuer may consider any such misrepresentation or breach an Event of Default hereunder.

(m) The Borrower acknowledges that the obligation of the Issuer hereunder to issue Bonds to finance the Project does not in any way constitute a representation, warranty, guaranty, advice or suggestion by the Issuer as to the feasibility or viability of the Project, and may not be relied on as such by any investor, tenant, lender, or other person, for any reason.

(n) The Borrower has no present intention to (A) change the use of the Project or (B) sell, transfer or lease any part of the Project, other than (i) the leasing of an air rights parcel containing sixty (60) affordable residential rental units [plus one (1) manager's unit], and appurtenant property, to a low-income housing tax credit partnership, and the further leasing of such rental units to qualifying tenants, (ii) the leasing of the remaining residential rental units to other tenants, and (iii) leasing approximately 9,439 square feet of commercial space in the Project.

(o) The members of the Borrower approved the financing of the Project with proceeds of the Bonds by resolution or similar action adopted prior to the date of the Bond Purchase Agreement.

(p) Notwithstanding any provision to the contrary contained in its organizational documents, the Borrower shall admit individuals to the Project without regard to race, sex, national origin or religious belief and shall respect, permit and not interfere with the religious beliefs of persons using the Project. Except to the extent permitted by the constitution, statutes and laws of the United States and the State, the Borrower further agrees that it will not use or permit the use of the Project as a place of religious worship or sectarian instruction.

(q) There are no liens or encumbrances against the revenues pledged under the Mortgage Note other than liens and encumbrances permitted under the Mortgage Loan Documents.

Section 2.3. Representations, Warranties and Covenants of the Borrower as to Certain Federal Tax Matters.

(a) Taking into account the issue price (as defined in Section 1273 of the Code) of the various stated maturities of the Tax-Exempt Bonds, the average term of the Tax-Exempt Bonds does not exceed 120% of the average reasonably expected economic life of the Project to be financed by such Bonds, weighted in proportion to the respective cost of each item comprising the property the cost of which has been or will be financed, directly or indirectly, with the Net Proceeds of such Bonds. For purposes of the preceding sentence, the reasonably expected economic life of property shall be determined as of the later of (i) the Closing Date for the Tax-Exempt Bonds or (ii) the date on which such property is placed in service (or expected to be placed in service). In addition, land shall not be taken into account in determining the reasonably expected economic life of property, except that, in the event 25% or more of the collective Net Proceeds of such Bonds, directly or indirectly, have been expended for land, such land shall be treated as having an economic life of 30 years and shall be taken into account for purposes of determining the reasonably expected economic life of such property.

(b) All of the documents, instruments and written information supplied by or on behalf of the Borrower, which have been reasonably relied upon by Bond Counsel in rendering its opinion with respect to the exclusion from gross income of the interest on the Tax-Exempt Bonds for federal income tax purposes are true and correct in all material respects, do not contain any untrue statement of a material fact, and do not omit to state any material fact necessary to be stated therein to make the information provided therein, in light of the circumstances under which such information was provided, not misleading.

(c) Pursuant to the requirements of Treasury Regulation Section 1.148-1(b), the Borrower (or any related person contemplated by such regulations) will not purchase the Tax-Exempt Bonds in an amount related to the amount of the Loan.

(d) The Borrower is not currently under audit by the IRS, nor has the Borrower received any notice from the IRS that an audit is being considered.

Section 2.4. Representations and Warranties of the Trustee. The Trustee makes the following representations and warranties:

(a) The Trustee is a national banking association duly organized and validly existing under the laws of the United States. The Trustee is duly authorized to act as a fiduciary and to execute the trust created by the Indenture, and meets the qualifications to act as Trustee under the Indenture.

(b) The Trustee has all the corporate power and authority necessary (i) to execute and deliver the Indenture, the Bonds and the Mortgage Loan Documents to which it is a party (the "Trustee Documents"), (ii) to perform its obligations under the Trustee Documents, and (iii) to consummate the transactions contemplated by the Trustee Documents.

(c) The Trustee has taken all actions necessary to authorize (i) the execution and delivery of the Trustee Documents, (ii) the performance by the Trustee of its obligations under the Trustee Documents, and (iii) the actions of the Trustee contemplated by the Trustee Documents.

(d) The Trustee Documents have been duly executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding obligations of the Trustee, enforceable in accordance with their respective terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and by general principals of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(e) No approval, permit, consent, authorization or order of any court, governmental agency or public board or body not already obtained is required to be obtained by the Trustee as a prerequisite to (i) the execution and delivery of the Trustee Documents, (ii) the performance by the Trustee of its obligations under the Trustee Documents, or (iv) the consummation of the transactions contemplated by the Trustee Documents. The Trustee makes no representation or warranty relating to compliance with any federal or state securities law.

ARTICLE III ISSUANCE OF THE BONDS

Section 3.1. Agreement to Issue Bonds and Originate Mortgage Loan. To provide funds for the Mortgage Loan, the Issuer agrees to sell the Bonds and cause them to be delivered to the initial purchasers thereof and deposit the proceeds thereof with the Trustee in accordance with Section 303 of the Indenture and to loan such amounts to the Borrower as evidenced herein and in the Mortgage Note. The Issuer hereby assigns the Mortgage Note to the Trustee in accordance with this Loan Agreement, and hereby agrees to execute and deliver such further endorsements or other instruments necessary or desirable to effectuate such assignment in the opinion of the Bank.

Section 3.2. Delivery of the Bonds and Closing of the Mortgage Loan. The delivery of the Bonds and the closing of the Mortgage Loan shall not occur until the following conditions, in addition to those set forth in the Indenture, are met:

(a) The Trustee shall have received the original executed Mortgage Note (with the assignment of the Mortgage Note by the Issuer to the Trustee), the executed original Letters of Credit and the executed original Bond Intercreditor Agreement, and shall have executed a receipt for the proceeds of the Bonds. The Trustee shall have received evidence that the Regulatory Agreement and the Deed of Trust have been recorded in such a manner that the Regulatory Agreement and the Deed of Trust run with the land and are binding on the Borrower and subsequent owners (subject to equitable remedies)

(b) The Trustee shall have received certified copies of the action taken by the Borrower authorizing all actions taken or to be taken in connection with each of the Mortgage Loan Documents.

(c) No Event of Default nor any event that with the passage of time or the giving of notice would constitute an Event of Default under the Mortgage Loan Documents shall have occurred.

(d) All legal matters incident to the transactions contemplated by the Mortgage Loan Documents shall be concluded to the reasonable satisfaction of Bond Counsel.

(e) All conditions precedent to the issuance of the Bonds contained in the Indenture and in the Bond Purchase Agreement shall be fulfilled to the reasonable satisfaction of Bond Counsel, and all funds needed for construction of the Project shall have been disbursed or provided for to the satisfaction of the Issuer.

(f) Bond Counsel shall have received and approved the executed Tax Certificate identifying the anticipated sources and uses of funds to construct the Project.

Section 3.3. Commitment to Execute the Mortgage Note and Pay Issuance Costs. The Borrower agrees to execute and deliver the Mortgage Note simultaneously with the execution of this Loan Agreement, and the Issuer and the Bank have reviewed the Mortgage Note and a form of the Deed of Trust. The Borrower acknowledges and agrees that (A) all of the proceeds of (i) the Tax-Exempt Bonds will be deposited by the Trustee into the Tax-Exempt Account of the Mortgage Loan Fund [and the Costs of Issuance Fund], and (ii) the Taxable Bonds will be deposited by the Trustee into the Taxable Account of the Mortgage Loan Fund [and the Cost of Issuance Fund], and (B) all amounts on deposit in the Mortgage Loan Fund will be disbursed by the Trustee in accordance with Section 4.2 hereof and Sections 304 and 305 of the Indenture.

Section 3.4. Limitation on Liability of Issuer. The Issuer shall not be obligated to pay the principal or Purchase Price of or interest, or premium, if any, on the Bonds, except from remarketing proceeds and Revenues, as defined in the Indenture.

Any obligation or liability of the Issuer created by or arising out of this Loan Agreement (including without limitation any liability created by or arising out of the representations, warranties or covenants set forth herein or otherwise) shall not impose a debt or pecuniary liability upon the Issuer or a charge upon its general credit, but shall be payable solely out of the Revenues. Neither the issuance of the Bonds nor the delivery of this Loan Agreement shall,

directly or indirectly or contingently, obligate the Issuer to make any appropriation for their payment. Nothing in the Bonds or in the Indenture or this Loan Agreement or the proceedings of the Issuer authorizing the Bonds or in the Act or in any other related document shall be construed to authorize the Issuer to create a debt of the Issuer within the meaning of any constitutional or statutory provision of the State of California. No breach of any pledge, obligation or agreement of the Issuer hereunder may impose any pecuniary liability upon the Issuer or any charge upon its general credit.

No official, officer, agent or employee of the Issuer shall be individually or personally liable for the payment of any principal, redemption price, purchase price or interest on the Bonds or any other sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Loan Agreement, but nothing herein contained shall relieve any such official, officer, agent or employee from the performance of any official duty provided by law or by this Loan Agreement.

Section 3.5. The Trustee. The Trustee shall act as specifically provided herein, in the Indenture and the Bond Intercreditor Agreement and may exercise such additional powers as are reasonably incidental hereto and thereto, all subject to its right to compensation, indemnification and reimbursement under this Loan Agreement and the Indenture. Any act required to be performed by the Issuer as herein provided shall be deemed taken if such act is performed by the Trustee, provided that the Trustee shall have no duty to perform such act unless such duty is expressly set forth as a duty of the Trustee in the Indenture or the Mortgage Loan Documents to which the Trustee is a party. The Trustee shall not be liable for any action taken or omitted to be taken by it hereunder or in connection herewith or in connection with the Mortgage Loan Documents, except for its negligence or willful misconduct. The Trustee may consult with legal counsel selected by it (the reasonable fees of which counsel shall be paid by the Borrower) and any action taken or suffered by it reasonably and in good faith in accordance with the opinion of such counsel shall be full justification and protection to it.

ARTICLE IV THE MORTGAGE LOAN

Section 4.1. Amount and Source of Mortgage Loan. The Issuer hereby agrees to fund to the Trustee for the account of the Borrower, and the Borrower hereby (a) accepts from the Issuer, upon the terms and conditions set forth herein and in the Indenture, the Mortgage Loan and (b) agrees to have the proceeds of the Mortgage Loan applied and disbursed in accordance with the provisions of this Loan Agreement and the Indenture and any other agreements governing disbursement. The Mortgage Loan shall be deemed made when the Trustee acknowledges receipt of the proceeds of the Bonds and satisfaction of the conditions specified in Section 3.2 hereof. The Issuer hereby assigns without recourse or warranty whatsoever the Mortgage Note to the Trustee, which accepts such assignment.

Section 4.2. Disbursement of Loan Proceeds.

(a) Funds in any account of the Mortgage Loan Fund shall be disbursed by the Trustee upon receipt of an original executed Funding Requisition, substantially in the form in Exhibit B hereto, executed by the Borrower Representative and received and approved by the Administrative Agent or any servicer designated, in accordance with the Reimbursement Agreements in respect of the Credit Facility for the Series B-1 Bonds and the Credit Facility for the Series B-2 Bonds and the Series B-3 Bonds, respectively, by the Administrative Agent or the applicable Credit Provider from time to time in a writing delivered to the Issuer, the Borrower

and the Trustee. Initially, the Administrative Agent shall service the Credit Facilities and there shall be no independent servicer. Such disbursements shall be limited in frequency to no more than one per calendar month. The Issuer and the Borrower acknowledge that the approval of the Bank or the Bank's servicer is subject to the terms and conditions of the Reimbursement Agreements so long as the Bank is not in default under the Letters of Credit.

(b) On the first regularly scheduled Interest Payment Date on or after _____, 20__ (unless such date is extended by the written consent of the Issuer, and the Bank, the Trustee and the Issuer have received an opinion of Bond Counsel to the effect that such extension will not affect the tax exempt status of the Tax-Exempt Bonds), the Trustee shall transfer to the applicable Account of the Debt Service Fund the amount of funds allocable to such subseries of the Bonds remaining in the Mortgage Loan Fund on _____, 20__ (or the 15th day of the second month preceding the month in which any extension of such prepayment date ends). The Mortgage Note will be prepaid in that amount on the first regularly scheduled Interest Payment Date on or after _____, 20__ or any extension thereof pursuant to this paragraph. Upon the Bank's payment of a draw on a Letter of Credit to partially redeem Bonds, the Trustee shall deliver the unused Bond proceeds and interest earnings thereon to the Bank to reimburse the Bank for payment of such draw, and the amount of unused Bond proceeds shall be credited against the Borrower's obligations under the applicable Reimbursement Agreement. Unless there has been an extension of the redemption date as provided in this subsection, no Funding Requisition requesting a draw upon the Mortgage Loan Fund will be honored after _____, 20__.

(c) The Borrower covenants and agrees that (i) it will cause all of the moneys disbursed from the Tax-Exempt Account of the Mortgage Loan Fund (including any investment earnings on such moneys) to be disbursed for Qualified Project Costs, (ii) it will cause all of the moneys disbursed from the Taxable Account of the Mortgage Loan Fund (including investment earnings on such moneys) to be disbursed for Qualified Project Costs or other costs of the Project, including without limitation Issuance Costs.

(d) Within one (1) Business Day of receipt of an original executed Funding Requisition, properly executed by the Borrower and the Bank or its servicer, the Trustee, subject to the availability of liquid funds, shall disburse moneys from the Mortgage Loan Fund in accordance with such Funding Requisition.

(e) The Borrower hereby agrees that funds deposited into its account for further disbursement to third parties pursuant to a Funding Requisition (requesting a draw upon the Mortgage Loan Fund) shall be paid to such third parties by check dated the date of such deposit or other customary money transfer method, and the Borrower agrees that it will not request disbursement of such funds unless it reasonably expects such funds will be disbursed from its account within five (5) Business Days of such deposit.

(f) Amounts held under the Indenture shall be invested in accordance with the terms thereof. The Borrower acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Borrower the right to receive brokerage confirmations of security transactions, the Borrower waives receipt of such confirmations. The Trustee shall furnish the Borrower periodic statements which include detail of all investment transactions made by the Trustee.

ARTICLE V REPAYMENT OF THE MORTGAGE LOAN

Section 5.1. Mortgage Loan Repayment. The Mortgage Loan shall be evidenced by the Mortgage Note, which Mortgage Note shall be executed and delivered by the Borrower to the Trustee, as assignee of the Issuer. The Borrower consents to such assignment. The Borrower agrees to pay to the Trustee the principal of, premium (if any) and interest on the Mortgage Note at the times, in the manner and in the amount set forth therein. To cause moneys to be available for the payment of principal and Purchase Price of and interest on the Bonds at all times that principal, Purchase Price and interest shall become due and payable pursuant to this Loan Agreement and the Indenture, the Borrower has caused to be delivered to the Trustee the Letters of Credit; provided that the obligation to provide moneys for the Purchase Price of any Bonds shall be satisfied solely from the applicable Letter of Credit, an Alternate Credit Facility, the proceeds of remarketing of such Bonds or other Seasoned Funds, but shall not be a personal obligation of the Borrower. To secure its obligations to repay the Mortgage Note and its obligations under the Credit Agreements, the Borrower shall grant to the Administrative Agent, for the benefit of the Credit Provider and the Trustee, among others, a security interest in the Project upon acquisition thereof pursuant to the terms of the Deed of Trust. The Borrower hereby agrees to the exercise by the Administrative Agent, the Credit Provider (or its servicer on its behalf) and the Trustee of their respective rights and remedies, if any, under the Indenture, the Bond Intercreditor Agreement, the Deed of Trust, the Credit Agreements and the Credit Facilities, upon the occurrence of an Event of Default hereunder or thereunder, in accordance with their terms.

(a) Subject to the terms of the last paragraph of this Section 5.1(a), on each Interest Payment Date, the Borrower shall pay, in repayment of the Mortgage Loan, to the Trustee for the account of the Issuer until such principal of, premium (if any) and interest on the Bonds shall have been paid or provision for payment has been made in accordance with the Indenture, in federal or other immediately available funds as provided in the Mortgage Note, an amount which will equal the sum of (i) the interest on the Bonds which is due on such Interest Payment Date and (ii) the principal of and premium, if any, on the Bonds due on such Interest Payment Date (whether at maturity, by prior redemption or otherwise).

Each Mortgage Note repayment under this Section 5.1 shall at all times be sufficient to pay the total amount of interest, principal and premium, if any, payable on the Bonds on the applicable Interest Payment Date. If on any Interest Payment Date after the Trustee has drawn or attempted to draw moneys under a Credit Facility in accordance with its terms, the amounts held by the Trustee in the applicable Account of the Debt Service Fund and the Seasoned Funds Account are insufficient to make the required payments of interest, principal, and premium, if any, on the applicable Bonds on such date as required by the terms of the Indenture, the Borrower shall forthwith pay such deficiency to the Trustee in immediately available funds for deposit in the applicable Account of the Debt Service Fund, and such payments shall be credited against amounts owed under the Mortgage Note.

The Borrower hereby authorizes and directs the Trustee to draw funds under each Credit Facility in accordance with the provisions of the Indenture and this Loan Agreement to the extent necessary to pay the interest on and principal and purchase price of the Bonds when due. So long as the principal and the purchase price of and interest on the Bonds are paid by a properly presented and conforming draw under the related Credit Facility, the obligations of the Borrower hereunder to pay principal of and interest on the Mortgage Loan shall be deemed satisfied and discharged at such time; and to the extent that Seasoned Funds are applied by the Trustee to the obligation to pay the redemption premium, if any, pursuant to the terms of the Indenture the obligations of the Borrower under the Mortgage Loan with respect to the payment of such premium shall be deemed satisfied and discharged at such time.

(b) The Borrower shall pay all taxes and assessments, general or special, including, without limitation, all *ad valorem* taxes, concerning or in any way related to the Project, or any part thereof, and any other governmental charges and impositions whatsoever, foreseen or unforeseen, and all utility and other charges and assessments; provided, however, that the Borrower reserves the right to contest in good faith the legality of any tax or governmental charge concerning or in any way related to the Project.

(c) The Borrower shall pay and indemnify the Issuer and the Trustee against all reasonable fees, costs and charges, including reasonable fees and expenses of attorneys, accountants, consultants and other experts, incurred in good faith (and with respect to the Trustee, without negligence) and arising out of or in connection with the Financing Documents, the Bonds or the Indenture. Notwithstanding the foregoing, the Borrower shall not be obligated to pay amounts incurred as a result of the willful misconduct of the Issuer, or the gross negligence or willful misconduct of any other party, and any obligations of the Borrower to pay for environmental inspections or audits will be governed by the Deed of Trust. Without limiting the generality of the foregoing, the Borrower shall pay (i) to the Trustee when due, the Trustee Fee, (ii) to the Issuer, or to the Trustee on behalf of the Issuer, when due, the Issuer Fee, (iii) to the Issuer, all fees and costs (including, but not limited to, time spent by the Issuer staff) incurred by the Issuer for the calculation of Rebate Amount, (iv) the fees and expenses of the Rebate Analyst, as well as the Rebate Amount, if any, required to be paid to the United States of America, (v) to the Issuer or the Trustee, the Rating Agency Surveillance Fee, if any, and (vi) to the Remarketing Agent, its ongoing fees as remarketing agent as specified in the Remarketing Agreement. The obligations in this subsection shall remain valid and in effect notwithstanding repayment of the Mortgage Loan or the Bonds or termination of this Loan Agreement or the Indenture. The Issuer Fee payable under this paragraph is not intended to be duplicative of the initial issuance fee and the annual administrative fees payable under Section 19 of the Regulatory Agreement, and the Issuer Fee payable hereunder shall be deemed satisfied to the extent paid under the Regulatory Agreement.

(d) The Borrower further agrees that it will make available (by virtue of the Trustee's draws on the Credit Facilities or otherwise) in a timely manner moneys for the repurchase of all Bonds tendered for repurchase pursuant to the provisions of the Indenture. The Borrower hereby authorizes and directs the Trustee to draw moneys under the Credit Facilities for such purpose.

(e) If the Mortgage Note is prepaid in full pursuant to Section 5.3 or 5.4 hereof and a Regulatory Agreement continues to encumber any portion of the Project after such prepayment, the Borrower shall continue to pay the annual Issuer Fee for the remaining term of such Regulatory Agreement. This subsection shall survive the repayment of the Mortgage Note and the Bonds.

(f) The Borrower shall pay to the Trustee, forthwith upon written notice from the Trustee, all costs and expenses reasonably incurred by the Trustee pursuant to clause (b) of the definition of Trustee Fee.

(g) At its option, but subject to the provisions of the Indenture and the applicable Credit Agreements, if any, the Borrower may seek a Conversion of the interest calculation with respect to the Bonds. The Borrower agrees to deposit with the Trustee all costs to be incurred prior to the Conversion Date (as estimated by the Remarketing Agent and the Issuer) no later than 35 days prior to the Conversion Date. Interest earned on any investment of such moneys (as directed by the Borrower in Permitted Investments) prior to expenditure shall

accrue to the benefit of the Borrower. In the event the actual costs exceed the amount paid, the Borrower shall pay such amounts immediately upon receipt of notice thereof by the Trustee.

(h) The Borrower may provide a Substitute Letter of Credit or Alternate Credit Facility in accordance with the terms of Section 310 or Section 313 of the Indenture, and may terminate a Credit Facility in accordance with the terms of Section 314 of the Indenture.

(i) The Borrower shall pay all charges, costs, advances, indemnities and expenses, including agent and counsel fees of the Issuer incurred by the Issuer at any time in connection with the Bonds or the Project, including, without limitation, counsel fees and expenses incurred in connection with the interpretation, performance, enforcement or amendment of the Indenture, the Bonds or the Mortgage Loan Documents or any other documents relating to the Project or the Bonds or in connection with questions or other matters arising under such documents or in connection with any federal or state tax audit or post issuance examination of the Bonds. The Issuer agrees that it will notify the Borrower of the receipt of audit communications from any state or federal agency and will execute any consent required in order to permit the Borrower to assume the primary communication and/or negotiation responsibility with any state or federal agency.

Section 5.2. Nature of the Borrower's Obligations. The Borrower shall repay the Mortgage Loan pursuant to the terms of Section 5.1 of this Loan Agreement and the Mortgage Note, irrespective of any rights of set-off, recoupment or counterclaim it might have against the Issuer, the Trustee, the Credit Provider, or any other person; provided, that any such payment shall not constitute a waiver by the Borrower of any claim for recoupment or of any counterclaim. The Borrower will not suspend, discontinue or reduce any such payment or (except as expressly provided herein) terminate this Loan Agreement for any cause, including, without limiting the generality of the foregoing, (i) any delay or interruption in the acquisition, construction, equipping or operation of the Project; (ii) the failure to obtain any permit, order or action of any kind from any governmental agency relating to the Mortgage Loan or the Project; (iii) any event constituting *force majeure*; (iv) any acts or circumstances that may constitute commercial frustration of purpose; (v) the termination of this Loan Agreement or any of the other Mortgage Loan Documents; (vi) any change in the laws of the United States of America, the State or any political subdivision thereof; or (vii) any failure of the Issuer to perform or observe any covenant whether expressed or implied, or to discharge any duty, liability or obligation arising out of or connected with the Mortgage Note; it being the intention of the parties that, as long as the Mortgage Note or any portion thereof remains outstanding and unpaid, the obligation of the Borrower to repay the Mortgage Loan and provide such moneys shall continue in all events. This Section 5.2 shall not be construed to release the Issuer from any of its obligations hereunder, or the Trustee from any of its obligations under the Indenture, or, except as provided in this Section 5.2, to prevent or restrict the Borrower from asserting any rights which it may have against the Issuer or the Trustee (or the loan servicer, if different from the Trustee) under the Mortgage Note or the Indenture, or under any provision of law, or to prevent or restrict the Borrower, at its own cost and expense, from prosecuting or defending any action or proceeding by or against the Issuer or the Trustee (or the loan servicer, if different from the Trustee) or taking any other action to protect or secure its rights.

Section 5.3. Mandatory Prepayment of Mortgage Note.

(a) The Mortgage Note is subject to mandatory prepayment at a price equal to the principal amount of Bonds to be redeemed as a result of such prepayment together with accrued interest to the date fixed for such redemption of the Bonds, as follows:

(i) in whole or in part (and if in part, in such manner as will correspond to the maturities and Subseries of Bonds selected for redemption by the Borrower), on the first regularly scheduled Interest Payment Date on or after _____, 20__ unless such date is extended pursuant to Section 4.2(b) hereof, in an amount equal to the amount (plus any investment earnings thereon) remaining in the applicable account of the Mortgage Loan Fund at the close of business on _____, 20__ (or the fifteenth day of the second month preceding the month in which any extension of such prepayment date ends);

(ii) in an amount equal to the Outstanding Tax-Exempt Bonds, as soon as practicable following receipt by the Trustee of written notice of a Determination of Taxability, or in whole or in part (and if in part, in such manner as will correspond to the maturities and Subseries of Bonds selected for redemption by the Borrower), as soon as practicable, in order to prevent a Determination of Taxability (in the amount determined by Bond Counsel to be necessary to preserve the tax-exemption of interest on the Tax-Exempt Bonds that will remain outstanding thereafter, if any);

(iii) in part, if the Bonds of a Subseries are subject to mandatory sinking fund redemption following a Term Rate Conversion Date or the Fixed Rate Conversion Date in accordance with a schedule to be provided to the Trustee and the Issuer by the Remarketing Agent and to become effective on such Conversion Date; provided that in all events the required amortization of such Bonds shall be based on and consistent with the applicable Principal Reserve Schedule; provided, further, the Borrower shall deliver to the Issuer, the Trustee and the Administrative Agent an Opinion of Bond Counsel to the effect that such amortization will not adversely affect the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes.

(iv) in whole or in part, on the next regularly scheduled Interest Payment Date for which notice of redemption of Bonds of the applicable Subseries can be given pursuant to Section 604 of the Indenture, upon written notice to the Trustee of the determination by the Administrative Agent, in accordance with Section 5.7 hereof, to have the Trustee draw on the applicable Credit Facility in the amount of any net proceeds of insurance or condemnation awards in an amount not less than \$25,000 not used to repair or replace the Project or any component thereof;

(v) the amount relating to each Subseries in whole, as soon as practicable but not later than the first Business Day prior to the expiration or termination of the applicable Credit Facility, upon receipt by the Trustee from the Administrative Agent or the applicable Credit Provider of written notice of a Default under the applicable Credit Agreement and the determination by the Administrative Agent or the Credit Provider to have the Trustee draw on such Credit Facility;

(vi) in whole, on the next scheduled Interest Payment Date for which notice of redemption can be given in accordance with Section 604 of the Indenture, following receipt by the Trustee of written notice from the Issuer, of the occurrence of an Event of Default under the Regulatory Agreement, the Tax Certificate or Section 7.1(b) of this Loan Agreement and requesting redemption of the Bonds;

(vii) the amount relating to each Subseries in whole, as soon as practicable but not later than the fifth Business Day prior to the stated expiration or termination of the applicable Credit Facility, (A) if within (i) six (6) months after a Wrongful Dishonor, or (ii) sixty (60) days after an Act of Bankruptcy of the Credit Provider or a Determination of

Unenforceability, the Borrower does not cause to be delivered to the Trustee an irrevocable commitment for a Substitute Letter of Credit or Alternate Credit Facility satisfying the requirements of Section 310 or 313 of the Indenture, provided, that upon any acceleration of such Bonds such six-month or 60-day opportunity to avoid mandatory prepayment pursuant to this subparagraph (vii) shall cease, or (B) if, after the delivery of the commitment described in clause (A) hereof the Borrower does not cause to be delivered to the Trustee such Substitute Letter of Credit or Alternate Credit Facility in accordance with such commitment and Section 310(c) of the Indenture;

(viii) the amount relating to each Subseries in whole, as soon as practicable, but not later than the fifth Business Day prior to the stated expiration or termination of the applicable Credit Facility, upon acceleration of the maturities of the Outstanding Bonds of such Subseries by the Trustee pursuant to Section 802 of the Indenture;

(ix) in part, at the written direction of the Administrative Agent (A) on each Conversion Date in an amount not greater than the amount in the applicable Principal Reserve Account on the first day of the month prior to such Conversion Date, as applicable, or (B) on any Interest Payment Date while Bonds bear interest at a Daily Rate, a Weekly Rate or an Index Rate, in an amount not greater than the amount in the applicable Principal Reserve Account on the first day of the month prior to such Interest Payment Date; and

(x) in part, on the first day of each month during which Bonds bear interest at Variable Rates, in an amount equal to the amount, if any, which is available to be applied to the redemption of Bonds pursuant to Section 308(g) of the Indenture.

(b) The Trustee shall draw on a Credit Facility to pay the redemption price, (other than premium, if any, if the Credit Facility does not permit a draw therefor) of the applicable Bonds. Upon the Credit Provider's payment of a draw on such Credit Facility to redeem such Bonds, the Trustee shall remit any prepayments held by it to the Credit Provider as reimbursement for the payment of such draw. If, however, the Credit Provider fails to honor such draw, subject to Section 901(i) of the Indenture, the Trustee shall forthwith use such prepayments to the extent possible to redeem such Bonds.

(c) In the event of a partial prepayment of the Mortgage Note, pursuant to this Section or Section 5.4, the principal amount of the Borrower's obligation under the Mortgage Note shall be reduced by the principal amount of Bonds redeemed with the proceeds of such prepayment.

(d) In the event the Mortgage Loan is prepaid in part in accordance with this Section 5.3, the mandatory sinking fund payments applicable to the Bonds, if any, shall be reduced in accordance with the written instructions provided to the Trustee by the Remarketing Agent (after consultation with the Credit Provider and the Borrower) and to become effective on the applicable Term Rate Conversion Date or the Fixed Rate Conversion Date;

Section 5.4. Optional Prepayment of Mortgage Note.

(a) On any Business Day on or prior to the Fixed Rate Conversion Date, the Borrower may, at its option (and in accordance with the provisions of Section 6.4 hereof), prepay the Mortgage Note in whole or in part, in a manner consistent with the requirements of Sections 602 and 603 of the Indenture, with the consent of the applicable Credit Provider, at a

price equal to the principal amount to be prepaid together with accrued interest to the date fixed for redemption of the Bonds to be redeemed with such prepayment.

(b) Upon and after the Fixed Rate Conversion Date for a Subseries the Borrower may, at its option, prepay a corresponding portion of the Mortgage Note in a manner consistent with the requirements of Section 602(b)(iii) of the Indenture in part on July 1 or December 1, or in whole on any date, at a redemption schedule to be determined by the Remarketing Agent (after consultation with the Credit Provider and the Borrower) at the time of Conversion, provided, that the Trustee must receive (a) the written consent to the redemption schedule from the provider of the applicable Letter of Credit or Alternate Credit Facility to be in effect while the applicable Bonds are at a Fixed Rate, and (b) an Opinion of Bond Counsel to the effect that such change will not adversely affect the exclusion from gross income for federal income tax purposes of the interest payable on the Tax-Exempt Bonds. In addition, a portion of the Mortgage Note may be prepaid at times and in amounts corresponding to any mandatory sinking fund payments established in accordance with a Term Rate Conversion or a Fixed Rate Conversion pursuant to Section 602(a)(iv).

(c) Any optional prepayment of the principal of and the interest on the Mortgage Note must be made with Seasoned Funds and only upon approval of the Credit Provider if such principal and interest is to be paid from the proceeds of a draw on a Credit Facility. No prepayment will be credited to the Borrower or used to redeem Bonds unless the Issuer notifies the Trustee in writing that it has received the amounts required, if any, to be paid pursuant to Section 5.1(e) hereof. The Borrower shall give written notice of any such intended optional prepayment to the Issuer, the Trustee, the Credit Provider and the Remarketing Agent, if applicable, no later than 30 days prior to the date set for notice to Bondowners of such redemption. Seasoned Funds in an amount equal to the applicable premium (if not paid from a draw on a Credit Facility) shall be on deposit with the Trustee prior to the Trustee's mailing of the redemption notice; provided, that if the redemption is intended to be paid within the proceeds of refunding bonds, mailing of conditional notice of such redemption may be made prior to receipt of such Seasoned Funds.

(d) Unless payable from Seasoned Funds, the Trustee shall draw on a Credit Facility to pay the redemption price of the Bonds excluding premium, if any, unless a Substitute Letter of Credit provides therefor. Upon the Credit Provider's payment of a draw on a Credit Facility to redeem such Bonds, the Trustee shall remit any prepayments held by it to the Credit Provider as reimbursement for payment of such draw. If, however, the Credit Provider fails to honor such draw, subject to Section 901(i) of the Indenture, the Trustee shall use such moneys to the extent possible to redeem the Bonds.

(e) In the event the Mortgage Loan is prepaid in part in accordance with this Section 5.4, the mandatory sinking fund payments applicable to the Bonds, if any, shall be reduced in accordance with the written instructions provided to the Trustee by the Remarketing Agent (after consultation with the Credit Provider and the Borrower) and to become effective on the applicable Term Rate Conversion Date or the Fixed Rate Conversion Date;

Section 5.5. Past Due Payments. Except for amounts due on the Mortgage Note, any amounts not paid to the Issuer or Trustee in accordance with this Loan Agreement shall bear interest at 10% per month until finally paid.

Section 5.6. Credit Facility.

(a) At all times during which Bonds are Outstanding, the Borrower shall (i) cause to be provided and continuously available to the Trustee, as beneficiary, one or more irrevocable, direct pay Letters of Credit or Alternate Credit Facilities meeting the requirements of Section 310 or 313 of the Indenture or (ii) cause to be satisfied the requirements of Section 212 and Section 314 of the Indenture (provided that the option provided by this clause (ii) shall be available to the Borrower only if the subject Bonds do not bear interest at Variable Rates). If the provider of a Credit Facility then in effect Wrongfully Dishonors any draw on such Credit Facility, so long as no Event of Default has occurred under the Indenture (due to the continued payment of principal, interest and/or Purchase Price of Bonds from payments by or on behalf of the Borrower from Seasoned Funds under this Loan Agreement), the Borrower shall not be considered to be in default under the provisions of this subsection (a) if it replaces such Credit Facility with a new Credit Facility meeting the requirements of Section 310 or Section 313 of the Indenture within six (6) months of such Wrongful Dishonor.

(b) The Trustee, in accordance with Section 309(b) of the Indenture, shall draw on a Credit Facility in the amount necessary to pay principal of and/or interest on the Bonds due each Interest Payment Date and in accordance with Section 309(c) of the Indenture shall draw on a Credit Facility to pay the Purchase Price of Bonds tendered for repurchase but not remarketed.

(c) The Borrower may provide the Trustee with one or more Substitute Letters of Credit or Alternate Credit Facilities in accordance with the requirements of Section 310 or Section 313 of the Indenture, or, if the Bonds do not bear interest at Variable Rates, may cause the applicable Credit Facility to be terminated or expire in accordance with the requirements of Section 314 of the Indenture.

Section 5.7. Insurance and Condemnation Proceeds.

So long as (1) there are no continuing failures to pay properly presented and conforming draws under a Credit Facility and (2) no Determination of Unenforceability has occurred, the Administrative Agent shall hold all proceeds of insurance or condemnation awards and shall, within thirty (30) days of the loss, determine (i) that such proceeds will be used to repair or replace a Project or reimburse the Borrower therefor (provided, that if the amount of such proceeds is less than \$1,000,000, such proceeds may be used by the Borrower for any purpose) or (ii) that the Trustee shall draw on a Credit Facility in the principal amount of such proceeds to redeem a corresponding amount of Bonds allocable to such Project; provided, that the Administrative Agent may retain from such proceeds the amount of its fees and costs incurred in the collection thereof. The Administrative Agent shall forthwith notify the Trustee in writing of its determination. The Trustee may rely on such notice in notifying Bondowners of a redemption of Bonds. Upon the Credit Provider's payment of a draw on a Credit Facility to redeem such Bonds, the Administrative Agent shall use such proceeds to reimburse the Credit Provider for the payment of such draw. If, however, the conditions stated in either clause (1) or clause (2) are not met, the Administrative Agent shall remit such insurance or condemnation proceeds, upon receipt thereof, to the Trustee. The Trustee shall remit to the Borrower all such proceeds received in excess of the amount necessary to redeem such Bonds or to reimburse the Credit Provider for payment of a draw on the Credit Facility to redeem such Bonds.

ARTICLE VI
FURTHER AGREEMENTS

Section 6.1. Successor to the Issuer. The Issuer will at all times use its best efforts to maintain the powers, functions, duties and obligations now reposed in it pursuant to law or assure the assumptions of its obligations hereunder by any public trust or political subdivision succeeding to its powers.

Section 6.2. Borrower to Maintain its Existence; Conditions Under Which Exceptions Permitted. The Borrower agrees that during the term of this Loan Agreement it will maintain its existence as a [_____] limited partnership, will continue to be duly qualified to do business in the State, and will neither dispose of all or substantially all of its assets nor consolidate with or merge into another entity, unless (i) it shall have first filed with the Issuer and the Trustee an opinion of Bond Counsel to the effect that such disposal of assets, consolidation or merger will not cause the interest on the Tax-Exempt Bonds to become subject to federal or state income taxation; (ii) the acquirer of its assets or the entity with which it shall consolidate or into which it shall merge shall be a partnership, corporation, limited partnership or limited liability company organized and existing under the laws of the United States of America or one of the states of the United States of America and shall be qualified and admitted to do business in the State; (iii) such acquiring or remaining entity shall satisfy any additional requirements or conditions set forth in the Regulatory Agreement and the Credit Agreements; (iv) such acquiring or remaining entity shall assume in writing all of the obligations of the Borrower under the Mortgage Loan Documents, subject to all of the limitations of liability applicable to the Borrower; and (v) the Credit Provider shall have provided prior written consent to such disposition, consolidation or merger and assumption of liability and the Borrower shall have furnished within 10 days after any such action, notice thereof and a copy of all instruments of assumption of liability to the Issuer and the Trustee.

Section 6.3. Cooperation in Enforcement of Regulatory Agreement. The Borrower hereby covenants and agrees as follows:

- (a) to comply with all provisions of the Regulatory Agreement;
- (b) to advise the Issuer and the Credit Provider in writing promptly upon learning of any material default with respect to the covenants, obligations and agreements of the Borrower set forth in any Regulatory Agreement;
- (c) upon written direction by the Issuer or the Trustee, to cooperate fully and promptly with the Issuer or the Trustee in enforcing the terms and provisions of the Regulatory Agreement; and
- (d) to file in accordance with the time limits established by the Regulatory Agreement all reports and certificates required thereunder, in substantially the form attached thereto.

Section 6.4. Tax Exempt Status of Tax-Exempt Bonds; Arbitrage. It is the intention of the Borrower and the Issuer that interest on the Tax-Exempt Bonds shall be and remain excluded from gross income of the owners of the Tax-Exempt Bonds under federal tax law, and to that end the covenants and agreements of the Borrower in this section are for the benefit of each and every Owner of a Bond. In furtherance thereof, the Borrower represents, warrants and agrees as follows:

(a) Qualified Residential Rental Project Exempt Facility Bonds. The Borrower shall assure that the proceeds of the Tax-Exempt Bonds are used in a manner such that the Bonds will satisfy the requirements of section 142(d) of the Code relating to qualified residential rental projects.

(b) Federal Guarantee Prohibition. Neither the Borrower nor the Issuer shall take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Tax-Exempt Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(c) Rebate Requirement. The Borrower shall 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 Tax-Exempt Bonds.

(d) No Arbitrage. The Borrower shall not take, or permit or suffer to be taken by the Trustee 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 Tax-Exempt Bonds would have caused the Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

(e) Maintenance of Tax-Exemption. The Borrower shall take all actions necessary to assure the exclusion of interest on the Tax-Exempt Bonds from the gross income of the owners of the Tax-Exempt 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 Tax-Exempt Bonds.

(f) Private Activity Volume Cap. The Tax-Exempt Bonds upon issuance and delivery shall be considered "private activity bonds" within the meaning of the Code with respect to which the California Debt Limit Allocation Committee has transferred to the Issuer a portion of the State of California's private activity bond allocation (within the meaning of section 146 of the Code) equal to the principal amount of the Tax-Exempt Bonds.

(f) Limitation on Issuance Costs. The Borrower covenants that, from the proceeds of the Tax-Exempt Bonds and investment earnings thereon, an amount not in excess of exceed two percent (2%) of the proceeds of the Bonds, will be used for costs of issuance of the Tax-Exempt Bonds, all within the meaning of section 147(g)(1) of the Code. For this purpose, if the fees of the Original Purchasers are retained as a discount on the purchase of the Tax-Exempt Bonds, such retention shall be deemed to be an expenditure of Proceeds of the Tax-Exempt Bonds for said fees.

(g) Limitation of Expenditure of Proceeds. The Borrower covenants that not less than 95 percent of the net proceeds of the Tax-Exempt Bonds (within the meaning of section 150(a)(3) of the Code) are paid for Qualified Project Costs.

(h) Limitation on Land. The Borrower covenants that less than twenty-five percent (25%) of the proceeds of the Tax-Exempt Bonds shall be used, directly or indirectly, for the acquisition of land.

(i) Existing Facilities Limit. The Borrower covenants that no proceeds of the Tax-Exempt Bonds shall be used for the acquisition of any tangible property or an interest therein, other than land or an interest in land, unless the first use of such property is pursuant to such

acquisition; provided, however, that this limitation shall not apply with respect to any building (and the equipment therefor) if rehabilitation expenditures (as defined in section 145(d) of the Code) with respect to such building equal or exceed fifteen percent (15%) of the portion of the cost of acquiring such building (and equipment) financed with Proceeds; and provided, further, that this limitation shall not apply with respect to any structure other than a building if rehabilitation expenditures with respect to such structure equal or exceed one hundred percent (100%) of the portion of the cost of acquiring such structure financed with the proceeds of the Tax-Exempt Bonds.

(j) Certain Uses Prohibited. The Borrower covenants that no proceeds of the Tax-Exempt Bonds shall be used directly or indirectly to provide any airplane, skybox or other private luxury box, health club facility, facility used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises, and no portion of the proceeds of the Tax-Exempt Bonds shall be used for an office unless (i) the office is located on the premises of the facilities constituting the Project and (ii) not more than a de minimis amount of the functions to be performed at such office is not related to the day-to-day operations of the Project.

(k) Income Targeting. The Issuer hereby elects to have the Project meet the requirements of section 142(d)(1)(A) of the Code in that twenty percent (20%) or more of the residential units in the Project shall be occupied by persons or families whose Adjusted Income (as defined in the Regulatory Agreement) is fifty percent (50%) or less of Median Income for the Area (as defined in the Regulatory Agreement), adjusted for household size. The Owner hereby elects to have Section 142(d)(4)(B) of the Code (deep rent skewing) apply to the Project.

Section 6.5. Additional Instruments. The Borrower hereby covenants to execute and deliver such additional instruments and to perform such additional acts as may be necessary, in the reasonable opinion of the Issuer or the Trustee, to carry out the intent of the Mortgage Loan Documents, the Tax Certificate, and the Deed of Trust when executed and recorded or to perfect or give further assurances of any of the rights granted or provided for in the Mortgage Loan Document when executed and recorded.

Section 6.6. Books and Records. The Borrower hereby covenants upon reasonable notice to permit the Issuer and the Trustee or their duly authorized representatives, access (wherever regularly located) during normal business hours to the books and records of the Borrower pertaining to the Mortgage Loan and the Project, and to make such books and records available for audit and inspection, at reasonable times and under reasonable conditions to the Issuer and the Trustee and their duly authorized representatives.

Section 6.7. Notice of Certain Events. The Borrower hereby covenants to advise the Issuer, the Credit Provider and the Trustee promptly in writing of the occurrence of any Event of Default hereunder or any event which, with the passage of time or service of notice, or both, would constitute an Event of Default hereunder, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto. In addition, the Borrower hereby covenants to advise the Issuer, the Credit Provider and the Trustee promptly in writing of the occurrence of any default under the Mortgage Loan Documents or of the occurrence of an Act of Bankruptcy of the Borrower.

Section 6.8. Indemnification of the Issuer and the Trustee. In addition to its other obligations hereunder, and in addition to any and all rights of reimbursement, indemnification, subrogation and other rights of the Issuer and the Trustee hereunder and under law or equity, to

the fullest extent permitted by law, the Borrower agrees to indemnify, hold harmless and defend the Issuer and the Trustee, and each of their respective officers, directors, employees, attorneys and agents (each an "Indemnified Party"), against any and all losses, damages, claims, actions, liabilities, reasonable costs and expenses of any nature, kind or character (including, without limitation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement (to the extent that the Borrower has consented to such settlement) and amounts paid to discharge judgments) (hereinafter, the "Liabilities") to which the Indemnified Parties, or any of them, may become subject under federal or state securities laws or any other statutory law or at common law or otherwise, to the extent arising out of or based upon or in any way relating to:

(a) The Mortgage Loan Documents and the Indenture or the execution or amendment thereof or in connection with transactions contemplated thereby, including the sale, transfer or resale of the Bonds or the Mortgage Loan;

(b) Any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Mortgage Loan, the Bonds or the Project, the operation of the Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, construction, installation or rehabilitation of, the Project or any part thereof;

(c) Any lien (other than a Permitted Lien) or charge upon payments by the Borrower to the Issuer or the Trustee hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Issuer or the Trustee in respect of any portion of the Project;

(d) Any violation of any environmental law, rule or regulation with respect to, or the release of any toxic substance from, the Project or any part thereof during the period in which the Borrower is in possession or control of the Project, provided, however, Borrower's liability under this provision shall not extend to cover any violations that (i) first arise, commence or occur as a result of actions of the Indemnified Party and (ii) those actions (A) are taken after the satisfaction, discharge, release, assignment, termination or cancellation of the Deed of Trust following the payment in full of the Mortgage Loan and all other sums payable under the Mortgage Loan Documents or (B) are taken after the actual dispossession from the entire Project of Borrower and all entities which control, are controlled by, or are under common control with Borrower following foreclosure of the Deed of Trust or acquisition of the Project by a deed in lieu of foreclosure;

(e) The enforcement of, or any action taken by the Issuer or the Trustee related to remedies under, this Loan Agreement and the other Mortgage Loan Documents, the Indenture, the Bonds and any other documents delivered in connection with the financing of the Project by the Bonds;

(f) the defeasance, tender for purchase and/or redemption, in whole or in part, of the Bonds;

(g) Any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact by the Borrower made in the course of Borrower's applying for the Mortgage Loan or the Bonds or contained in any of the Mortgage Loan Documents, the Indenture or any other documents relating to the financing of the Project with the Bonds and to which the Borrower is a party;

(h) Any Determination of Taxability;

(i) Any breach (or alleged breach) by Borrower of any representation, warranty or covenant made in or pursuant to this Loan Agreement or in connection with any written or oral representation, presentation, report, appraisal or other information given or delivered by Borrower, any member thereof, any guarantor or any of their affiliates to the Issuer, the Trustee, the Underwriters, the Bank or any other Person in connection with Borrower's application for the Mortgage Loan and the Bonds (including, without limitation, any breach or alleged breach by Borrower of any agreement with respect to the provision of any substitute credit enhancement, if applicable);

(j) Any failure (or alleged failure) by the Borrower, the Bank or the Underwriters to comply with applicable federal and state laws and regulations pertaining to the making of the Mortgage Loan and the issuance, sale and delivery of the Bonds;

(k) The Project, or the condition, occupancy, use, possession, conduct or management of, or work done in or about, or from the planning, design, acquisition, installation, construction of, the Project or any part thereof;

(l) The use of the proceeds of the Bonds loaned to the Borrower hereunder; or

(m) The Trustee's acceptance or administration of the trust of the Indenture, or the exercise or performance of any of its powers or duties thereunder or under any of the documents relating to the Bonds to which it is a party.

except, in the case of the foregoing indemnification of the Issuer or any related Indemnified Party, to the extent such damages are caused by the willful misconduct of such Indemnified Party and, in the case of foregoing indemnification of the Trustee or any related Indemnified Party, to the extent such damages are caused by the negligence or willful misconduct of such Indemnified Party. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the Indemnified Party (which notice shall be timely given so as not to materially impair the Borrower's right to defend), shall assume the investigation and defense thereof, including the employment of counsel reasonably approved by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement, which approval shall not be unreasonably withheld. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and to participate in the investigation and defense thereof. The Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may only employ separate counsel at the expense of the Borrower if and only if in such Indemnified Party's good faith judgment (based on the advice of counsel) a conflict of interest exists or could arise by reason of common representation.

Notwithstanding any transfer of the Project to another owner in accordance with the provisions of this Loan Agreement or the Regulatory Agreement, the Borrower shall remain obligated to indemnify each Indemnified Party pursuant to this Section 6.8 if such subsequent owner fails to indemnify any party entitled to be indemnified hereunder, unless the Issuer and the Trustee have consented to such transfer and to the assignment of the rights and obligations of the Borrower hereunder.

The rights of any persons to indemnity hereunder shall survive the final payment or defeasance of the Mortgage Loan and the Bonds and in the case of the Trustee, any resignation or removal. The provisions of this Section 6.8 shall survive the termination of this Loan Agreement.

Section 6.9. Consent to Assignment. The Issuer has made an assignment to the Trustee under the Indenture for the benefit of the Bondowners of all rights and interest of the Issuer in and to the Mortgage Loan Documents (except its Unassigned Rights); and the Borrower hereby consents to all such assignments. The Issuer shall file such financing statements and other documents as the Trustee or Issuer shall deem necessary or desirable to perfect the lien of the Indenture with respect to the Mortgage Loan Documents, and the Borrower hereby consents to all such filings.

Section 6.10. Compliance with Usury Laws. Notwithstanding any other provision of this Loan Agreement, it is agreed and understood that in no event shall this Loan Agreement, with respect to the Mortgage Note or other instrument of indebtedness, be construed as requiring the Borrower or any other Person to pay interest and other costs or considerations that constitute interest under any applicable law which are contracted for, charged or received pursuant to this Loan Agreement in an amount in excess of the maximum amount of interest allowed under any applicable law.

In the event of any acceleration of the payment of the principal amount of the Mortgage Note or other evidence of indebtedness, that portion of any interest payment in excess of the maximum legal rate of interest, if any, provided for in this Loan Agreement or related documents shall be cancelled automatically as of the date of such acceleration, or if theretofore paid, credited against the Borrower's obligations to the Credit Provider under the Credit Agreements.

The provisions of this section shall prevail over any other provision of this Loan Agreement.

Section 6.11. Completion of Project. Neither the Issuer nor the Trustee makes any express or implied warranty that the moneys deposited in the Mortgage Loan Fund under the provisions of this Loan Agreement will be sufficient to pay all the amounts that may have been incurred to complete the Project and Issuance Costs.

Section 6.12. Design of Project. The design, acquisition, construction and operation of the Project as described herein do not and will not conflict with any zoning, water, environmental or air pollution or other ordinance, order, law or regulation applicable thereto; the Borrower has or will cause to be established an ongoing program to maintain the Project's compliance with all applicable federal, state and local laws or ordinances (including rules and regulations) relating to zoning, building, safety, and environmental quality; and the Borrower has not failed to obtain (or will obtain or will cause to be obtained when required) and maintain (or cause to be maintained) in effect any material licenses, permits, franchises or other governmental authorizations necessary for the operation and conduct of the Project.

Section 6.13. Payment of Taxes. The Borrower has filed or caused to be filed all federal, state and local tax returns or information returns that are required to have been filed with respect to the Project and of which Borrower has knowledge, and has paid or caused to be paid all taxes as shown on said returns or on any assessment received by the Borrower; to the extent that such taxes have become due and payable other than those payable without penalty or interest.

Section 6.14. No Untrue Statements. Neither this Loan Agreement, the other Mortgage Loan Documents nor any other document, certificate or written statement furnished to the Trustee, the Bank, the Remarketing Agent, the underwriter of the Bonds, the Issuer or Bond Counsel by or on behalf of the Borrower, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein regarding the Borrower not misleading or incomplete under the circumstances in which made as of the date hereof and as of Bond Closing, and the facts and statements by or on behalf of the Borrower set forth in said documents with respect to the Project are accurate in all material respects. It is specifically understood by the Borrower that all such statements, representations and warranties shall be deemed to have been relied upon by the Issuer as an inducement to make the Mortgage Loan, and that if any such statements, representations and warranties were materially incorrect at the time they were made or as of Bond Closing, the Issuer may consider any such misrepresentation or breach an Event of Default.

Section 6.15. Insurance; Maintenance and Repair. The Borrower agrees to insure the Project or cause the Project to be insured during the term of this Loan Agreement for such amounts and for such occurrences as are required under the Mortgage Loan Documents and the Credit Agreements, as such requirements may be amended from time to time; provided, that each such insurance policy shall name the Administrative Agent as insured. The Trustee shall have no responsibility for monitoring, reviewing or receiving insurance policies related to the Project or for the sufficiency of such insurance. The Borrower further agrees to maintain the Project, or cause the Project to be maintained, during the term of this Loan Agreement (i) in a reasonably safe condition and (ii) in good repair and in good operating condition, ordinary wear and tear excepted, making from time to time all necessary repairs thereto and renewals and replacements thereof.

Section 6.16. Borrower's Compliance with Covenants. The Borrower agrees to deliver to the Issuer during the term of the Regulatory Agreement the documents required therein at the times specified therein and in substantially the forms attached thereto.

Section 6.17. Transfer of Project. The Transfer of any Project or any portions thereof shall be in accordance with Section 11 of the applicable Regulatory Agreement.

Section 6.18. Compliance with Secondary Disclosure Requirements of the Securities and Exchange Commission. The Borrower shall enter into a binding agreement or undertaking for the benefit of the Owners of the Bonds that complies with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission in effect on the date of such binding agreement.

Section 6.19. OFAC Representation. Neither Borrower nor any affiliate of Borrower is (or will be) a person with whom the Trustee is restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury of the United States of America (including, those Persons named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order (including, the September 24, 2001 Executive Order Blocking Project and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and shall not engage in any dealings or transactions or otherwise be associated with such persons. In addition, Borrower hereby agrees to provide the Trustee with any additional information the Trustee requests from time to time in order to ensure compliance with all applicable Laws concerning money laundering and similar activities.

Section 6.20. MSRB Rule G-34(c) Compliance. In order to permit the Remarketing Agent to comply with MSRB Rule G-34(c), the Borrower hereby (i) authorizes and directs the Trustee to deliver to the Remarketing Agent the Credit Facilities, the Credit Agreements, this Loan Agreement, the Indenture and any other documents executed after the delivery of the Bonds that establish an obligation to provide liquidity with respect to the Bonds or that set forth or define critical aspects of the liquidity facility for the Bonds (including any executed amendments, renewals, supplements or replacements to the aforementioned) (all such documents, "Rule G-34 Documents"). If the Borrower determines that any information in the Rule G-34 Documents is confidential or proprietary to the Borrower, the Borrower shall identify such information to the Remarketing Agent in writing and request its redaction. The Borrower further agrees that the Remarketing Agent shall have no responsibility and holds the Remarketing Agent harmless with respect to identifying and/or redacting any confidential or proprietary information in the Rule G-34 Documents.

Section 6.21. Issuer Contracting Provisions. The Borrower covenants and agrees to comply with the City and County of San Francisco Mandatory Contracting Provisions set forth in Exhibit C to the Indenture, incorporated herein by this reference. For purposes of said exhibit, "Contractor" shall mean the Borrower and "City" shall mean the Issuer, notwithstanding any contrary statement therein.

ARTICLE VII EVENTS OF DEFAULT AND REMEDIES

Section 7.1. Events of Default. Subject to the terms of Section 7.2, each of the following shall be an "Event of Default":

- (a) the Borrower shall fail to pay or cause to be paid amounts required to pay principal of, premium, if any, or interest on the Bonds or the Purchase Price upon a tender of Bonds on the dates required under Section 5.1(a) or (d); or
- (b) the Borrower shall fail to pay amounts required to be paid to the Trustee under Section 5.1(b), (c), (e), (f), (g), (i) or Section 6.8 and five Business Days have elapsed after notice of such event has been sent by fax or electronic mail with hard copy promptly deposited in first class mail to the parties hereto; or
- (c) the Borrower shall fail to perform or observe any of its other obligations, covenants or agreements contained in this Loan Agreement, including a failure to repay any amounts which have been previously paid but are recovered, attached or enjoined pursuant to any insolvency, receivership, liquidation or similar proceedings; or
- (d) an Event of Default shall occur under any Mortgage Loan Document other than this Loan Agreement; or
- (e) the Trustee shall have received notice from the Credit Provider that a "Default" has occurred under any Credit Agreement, as such term is defined in each such Credit Agreement; or

(f) any representation or warranty of the Borrower shall be determined by the Trustee to have been materially false when made, or the Trustee has received notice from the Issuer of such determination.

Section 7.2. Notice of Default; Opportunity to Cure. No default under Section 7.1(c), (d), (f) or (g) hereof shall constitute an Event of Default until:

(a) The Trustee or the Issuer shall give notice to all parties hereto of such default specifying the same and stating that such notice is a "Notice of Default"; and

(b) The Borrower shall have had 60 days after receipt of such notice to correct the default arising under Section 7.1(c), (d), (f) or (g); provided, however, that if the default stated in the notice is of such a nature that it cannot be corrected within 60 days, such default shall not constitute an Event of Default hereunder so long as (i) the applicable party institutes corrective action within said 60 days and diligently pursues such action until the default is corrected, (ii) the Credit Provider consents to such extension beyond the aforesaid 60-day period, and (iii) in the opinion of Bond Counsel, the failure to cure said default within such 60 days will not adversely affect the exemption from federal income taxation of interest on the Tax-Exempt Bonds.

Notwithstanding the foregoing provisions of this Section 7.2, a failure to replace a Credit Facility pursuant to Section 5.6(a) upon a Wrongful Dishonor shall constitute an Event of Default hereunder immediately upon the occurrence of an "Event of Default" (as defined in the Indenture), or otherwise upon the expiration of said six (6) month period, and no additional cure period shall be available.

Section 7.3. Remedies. Whenever any Event of Default under Section 7.1 hereof shall have happened and be continuing, the following remedial steps shall be taken, subject to the provisions of Sections 7.2 and 7.7 hereof and subject to the provisions of the Bond Intercreditor Agreement:

(a) Immediately upon the occurrence of any Event of Default under Section 7.1(a), (b), (e) or (f) and immediately upon the request of the Issuer upon the occurrence of any Event of Default under Section 7.1(c), (d) or (g), the Trustee shall declare all amounts due under this Loan Agreement and the Mortgage Note to be immediately due and payable. If, however, the Trustee has, pursuant to Section 809 and 810 of the Indenture, waived an Event of Default identified in Section 801 thereof, the related Event of Default under this Loan Agreement shall not be deemed to be continuing and the Trustee shall not declare all amounts due under this Loan Agreement and the Mortgage Note immediately due and payable as a result of such related Event of Default under this Loan Agreement.

(b) The Trustee shall draw on the Credit Facilities in an amount sufficient to pay the Purchase Price, or to pay any interest or principal due on the Bonds.

(c) Notwithstanding anything to the contrary in this Section, with respect to an Event of Default described in Section 7.1(b), upon an Event of Default, and so long as the Credit Provider has not failed to pay any properly presented and conforming draw on a Credit Facility, the Trustee shall not accelerate the amounts owed under this Loan Agreement and the Mortgage Note unless it has been directed to do so by such Credit Provider.

(d) Subject to the provisions of Sections 5.2 and Section 7.7, the Trustee and the Issuer, at the written request or consent of the Trustee, shall take whatever action at law or in equity may appear necessary or desirable to collect the payments required to be made by the Borrower under this Loan Agreement and the Mortgage Note, or to enforce performance and observance of any obligation or agreement of the Borrower under the Mortgage Loan Documents, but in no event shall the Issuer or the Trustee be obligated to take any such action which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until indemnity satisfactory to it as provided in Section 901(g) of the Indenture has been furnished.

Any amounts collected as payments made on the Mortgage Note, or applicable to such payments, and any other amounts which would be applicable to payment of principal of, premium, if any, and interest on the Bonds collected pursuant to action taken under this section shall be applied in accordance with the provisions of the Indenture or, if the Outstanding Bonds have been deemed paid in accordance with the provisions of the Indenture, shall be paid as provided in Article III of the Indenture. Upon payment in full of all amounts owing under the Indenture, including all amounts owed to the Trustee, the Trustee shall give written notice to the Credit Provider and the Administrative Agent of such payment. Upon payment in full of all amounts owing under the Mortgage Loan Documents, including all fees and expenses of the Trustee and the Issuer, the Issuer shall transfer any remaining right, title or interest that it has in the Indenture, the Deed of Trust and the Mortgage Loan Documents to the Administrative Agent (or to the Borrower if the Borrower has paid all amounts owed to the Credit Providers under the Credit Agreements and any other Credit Facility Documents (as defined in the Credit Agreements)), except any Unassigned Rights expressly intended to survive the payment of the Mortgage Loan, including the Issuer's and the Trustee's rights to be indemnified, as provided for herein and therein.

Section 7.4. Attorneys' Fees and Costs. If an Event of Default occurs and if the Issuer or the Trustee should employ attorneys or incur expenses for the enforcement of any obligation or agreement of the Borrower contained herein, the Borrower on demand will pay to the Issuer or the Trustee the reasonable fees of such attorneys and the reasonable costs so incurred, including, without limitation, reasonable fees and costs of court appeals.

Section 7.5. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to either of them in this Article VII, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

Section 7.6. No Additional Waiver Implied by One Waiver. In the event any agreement or covenant contained in this Loan Agreement should be breached by the Borrower and thereafter waived by the Issuer or the Trustee, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 7.7. Intercreditor Provisions. The Bond Intercreditor Agreement shall govern the intercreditor relationship between the Trustee, the Bank and the Issuer. A replacement

Bond Intercreditor Agreement may be substituted for the Bond Intercreditor Agreement then in effect upon a mandatory tender for purchase of all of the Bonds.

ARTICLE VIII
MISCELLANEOUS

Section 8.1. Entire Agreement. The Remarketing Agreement, the Credit Agreements, the Mortgage Loan Documents, the Indenture and the Letters of Credit constitute the entire and final agreement and supersede all prior agreements and understandings, both written and oral, between or among any one or more of the Issuer, the Trustee, the Credit Provider, the Remarketing Agent and the Borrower with respect to the subject matter hereof.

Section 8.2. Notices. All notices, certificates or other communications shall be in writing and shall be sufficiently given and shall be deemed given (except for notices to the Trustee, which shall be deemed given only when actually received by the Trustee) on the Business Day on which the same have been personally delivered (either by messenger or courier service which guarantees next day delivery) or (if not by such messenger or by courier service), on the third Business Day following the date on which the same has been mailed by certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Issuer:

City and County of San Francisco
Mayor's Office of Housing and Community
Development
1 South Van Ness Avenue, Fifth Floor,
San Francisco, CA 94103
Attention: Director

with copies to:

City and County of San Francisco
City Hall, 1 Dr. Carlton B. Goodlett Place, Room 316
San Francisco, California 94102
Attention: City Controller

City and County of San Francisco
City Hall, 1 Dr. Carlton B. Goodlett Place, Room 140
San Francisco, California 94102
Attention: City Treasurer

Office of the City Attorney
City Hall, 1 Dr. Carlton B. Goodlett Place, Room 234
San Francisco, California 94102
Attention: Finance Team
Telephone: (415) 554-4722
Fax: (415) 554-4755
E-mail: Kenneth.roux@sfgov.org

If to Borrower:

Related/Mariposa Development Co., L.P.
c/o Related California
44 Montgomery Street, Suite 1300
San Francisco, CA 94104
Attention: Gregory Vilkin
Telephone: (415) 677-9000
Fax: (888) 371-8739
E-Mail: greg.vilkin@related.com

with copies to:

The Related Companies, L.P.
60 Columbus Circle
New York, NY 10023
Attention: Chief Legal Officer
Phone: (212) 801-3478
E-mail: jmccool@related.com

Levitt & Boccio, LLP
423 West 55th Street, 8th Floor
New York, NY 10019
Attention: David S. Boccio, Esq.
Phone: (212) 801-3769
Fax: (212) 801-3762
E-mail: dboccio@levittboccio.com

Cox, Castle & Nicholson LLP
50 California Street, Suite 3200
San Francisco, CA 94111
Attention: Steven Ryan
Telephone: (415) 262-5150
Fax: (415) 262-5199
E-Mail: sryan@coxcastle.com

If to Trustee:

U.S. Bank National Association
1 California Street, Suite 1000
San Francisco, California
Attention: Corporate Trust
Telephone: (415) _____
Fax: (415) _____

If to Remarketing Agent:

Citigroup Global Markets Inc.
390 Greenwich St., 2nd Floor
New York, New York 10013
Attention: Short Term Manager
Telephone: (212) 723-5594
Fax: (212) 723-8939
E-mail: robert.j.demichiel@citi.com

If to the Bank:

Bank of America, N.A.
One Bryant Park, 35th Floor
New York, NY 10036
Attention: Todd Slagle
Telephone: (646) 855-1766
Fax: (____) _____
E-mail: todd.slagle@baml.com

with a copy to:

Schiff Hardin LLP
666 Fifth Avenue, Suite 1700
New York, New York 10103
Attention: Russel Hamilton
Telephone: (212) 745-0805
Fax: (212) 753-5044
E-mail: rhamilton@schiffhardin.com

If to the Administrative Agent:

Bank of America, N.A.
One Bryant Park, 35th Floor
New York, NY 10036
Attention: Todd Slagle
Telephone: (646) 855-1766
Fax: (____) _____
E-mail: todd.slagle@baml.com

A duplicate copy of each notice, certificate or other communication given hereunder by any party hereto to another party hereto shall also be given to all of the parties specified above. All other documents required to be submitted to any of the foregoing parties shall also be submitted to such party at its address set forth above. Any of the foregoing parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, documents or other communications shall be sent.

Section 8.3. Assignments. This Loan Agreement may not be assigned by any party without the prior written consent of all parties hereto which consent shall not be unreasonably withheld; provided, that the Issuer shall assign to the Trustee certain of its rights under this Loan Agreement as provided in Section 6.9; provided also, that the Borrower may assign to any transferee or any surviving or resulting entity its rights under this Loan Agreement with the consent of the Credit Provider and compliance with the requirements of Section 6.2 hereof; and, provided further, that the Trustee without the consent of any other party shall assign certain of its rights under this Loan Agreement to any successor Trustee designated in accordance with the Indenture.

Section 8.4. Severability. If any provision of this Loan Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatever.

Section 8.5. Execution of Counterparts. This Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 8.6. Amendments, Changes and Modifications. Except as otherwise provided in this Loan Agreement or in the Indenture, subsequent to the issuance of Bonds and prior to their payment in full (or provision for payment thereof having been made in accordance with the provisions of the Indenture), this Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the all parties hereto. Notice of any such change, amendment or modification shall be provided to the Remarketing Agent by the Issuer.

Section 8.7. Governing Law. This Loan Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 8.8. Term of Loan Agreement. This Loan Agreement shall be in full force and effect from the date hereof until such time as all the Bonds shall have been fully paid or provision made for such payment pursuant to the Indenture, whichever shall be earlier. Time is of the essence in this Loan Agreement.

Section 8.9. Survival of Loan Agreement. All agreements, representations and warranties made herein shall survive the making of the Mortgage Loan.

Section 8.10. Non-Business Days. Any payment or act required to be done or made on a day that is not a Business Day shall be done or made on the next succeeding day that is a Business Day with the same force and effect as if it had been done on the date originally scheduled for such payment or act.

Section 8.11. Trustee Acting Solely in Such Capacity. In accepting its obligations hereunder, the Trustee acts solely as trustee for the benefit of the Bondowners and not in its individual capacity, and all persons, including, without limitation, the Issuer and the Borrower, seeking payment from the Trustee for any liability arising by reason of the transactions contemplated hereby shall look only to the Trust Estate for payment except where such liability arises out of the negligence or willful misconduct of the Trustee. All of the rights, privileges, and limitations on liability granted to the Trustee under the Indenture shall extend to the Trustee's activities and obligations under this Loan Agreement and each of the other Mortgage Loan Documents.

Section 8.12. Parties to Act Reasonably. When the consent, approval, determination or authorization of any party to this Loan Agreement is required, such party will act reasonably in deciding whether to provide such consent, approval, determination or authorization and will not unreasonably withhold or delay such decision or such consent, approval, determination or authorization.

Section 8.13. Conflict of Documents. In the event the provisions of this Loan Agreement conflict with provisions of the Indenture, the provisions of the Indenture shall be deemed to control.

Section 8.14. Loan Terms. The Borrower and the Credit Provider will promptly notify the Issuer and the Trustee of any amendment to a Credit Agreement.

Section 8.15. Transfer of Project; Disposition of Assets. As soon as practicable and not later than fourteen days prior to the intended date of sale, transfer or other disposition of the Project (other than by leasing or renting for individual resident use), or the consolidation, merger or disposition of substantially all the assets of the Borrower of which the Credit Provider has

notice, the Credit Provider shall notify the Issuer and the Trustee of such transaction. Such transaction and its expected date shall be subject to the applicable conditions set forth in Section 6.17 hereof. This section shall not apply to the leasing of a portion of the Project (i.e. an air-rights parcel containing sixty (60) affordable apartment units, plus one (1) manager's unit) to a limited partnership or other affiliate of The Related Companies, L.P. or Related California Residential, LLC, or to the disposition of other portions of the development that are not a part of the Project, such as retail or commercial space.

Section 8.16. Release of Documents. Upon prepayment in full of the Mortgage Note in accordance with Section 5.3 or Section 5.4 hereof or any nonjudicial foreclosure under the Deed of Trust on all property secured thereby and the payment of all amounts owed to the Credit Provider under the Credit Agreements and any Credit Facility Documents (as defined in the Credit Agreements), the Mortgage Note shall be released and delivered to the Borrower, and the rights of the Trustee and the Administrative Agent, on its behalf, under the Deed of Trust shall be terminated in accordance with its terms.

Section 8.17. Oral Agreements Not Enforceable. ORAL AGREEMENTS OR ORAL COMMITMENTS BY THE ISSUER TO LOAN MONEY, TO EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT IN CONNECTION WITH THE PROJECT SHALL NOT BE ENFORCEABLE.

Section 8.18. Bond Intercreditor Agreement. The parties hereto acknowledge and agree that certain rights and remedies herein shall be subject to the Bond Intercreditor Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Loan Agreement, all as of the day and year first above mentioned.

CITY AND COUNTY OF SAN FRANCISCO,
as Issuer

By: _____
Olson Lee,
Director, Mayor's Office of Housing
and Community Development

Approved as to Form:
DENNIS J. HERRERA
City Attorney

By: _____
Deputy City Attorney

RELATED/MARIPOSA DEVELOPMENT
CO., L.P.,
a [] limited partnership

[SIGNATURE BLOCK]

Signature Pages to Loan Agreement
City and County of San Francisco
Variable Rate Multifamily Housing Revenue Bonds
(1601 Mariposa Apartments), 2017 Series B

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Its _____

Signature Pages to Loan Agreement
City and County of San Francisco
Variable Rate Multifamily Housing Revenue Bonds
(1601 Mariposa Apartments), 2017 Series B

EXHIBIT A

DESCRIPTION OF THE PROJECT

The Project consists of the acquisition and construction of a 299-unit multifamily rental housing facility located at 1601 and 1677 Mariposa Street, 485-497 Carolina Street, 395 and 420 Wisconsin Street and 210 Arkansas Street in San Francisco, California, together with related facilities, fixtures and appurtenances.

EXHIBIT B

FUNDING REQUISITION
FOR MORTGAGE LOAN FUND DRAWS

Date: _____

Project: _____
Requisition No. _____

Dear Trustee:

All terms used in this Funding Requisition have the meanings given to them in the Loan Agreement dated as of July 1, 2017 (the "Loan Agreement"), among the undersigned Related/Mariposa Development Co., L.P., as borrower, U.S. Bank National Association, as trustee, and the City and County of San Francisco (the "City"), relating to the City's Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B, or if not defined therein, in the related Indenture:

1. Amount due and to be distributed from Tax-Exempt Account of Mortgage Loan Fund: \$_____.

Amount due and to be distributed from Taxable Account of Mortgage Loan Fund:
\$_____

2. The undersigned hereby represents that:

(a) each obligation to which the amount specified above relates has been properly incurred in connection with the Project being financed with the proceeds of the Mortgage Loan, is a reimbursable cost of the Project properly chargeable against the Mortgage Loan Fund and has not been the basis of any previous disbursement, and is not the basis of any pending Funding Requisition;

(b) each obligation to be paid from the Tax-Exempt Account of the Mortgage Loan Fund is for a Qualified Project Cost [and is not for Costs of Issuance];

(c) the expenditure of the amount specified above, when added to all previous disbursements from the Mortgage Loan Fund, will result in all such disbursements having been used to pay or reimburse the Borrower for costs of the Project;

(d) none of the amounts disbursed from the Tax-Exempt Account of the Mortgage Loan Fund (including investment earnings thereon) will be used to provide an airplane, a skybox or any other private luxury box, any facility primarily used for gambling, health club facility or any store the principal business of which is the sale of alcoholic beverages for consumption off premises;

(e) the Regulatory Agreement is in full force and effect and no default has occurred thereunder; and

(f) this Funding Requisition is submitted for payment of the costs of the Project set forth on Schedule A hereto [and not for Costs of Issuance].

(g) with respect to previous requisitions for which funds were disbursed to third parties, such third parties were paid within five Business Days of the receipt by the Borrower of such funds in accordance with Section 4.2(e) of the Loan Agreement.

3. Funds shall be disbursed as described in Schedule A for the following purposes: (a) to the Borrower only in reimbursement of expenditures made subsequent to sixty days before February 27, 2015 (in the case of funds disbursed from the Tax-Exempt Account of the Mortgage Loan Fund), other than "preliminary expenditures," within the meaning of U.S. Treasury Regulations Section 1.150-2, up to 20% of the aggregate principal amount of the Tax-Exempt Bonds; (b) to the third parties identified in Schedule A for costs incurred by the Borrower but not yet paid; or (c) to the Bank for amounts required to be paid to the Bank under the Reimbursement Agreement, but not yet paid.

Attached to this Funding Requisition is a summary of the invoices itemizing the expenditures for which the Borrower is submitting this Funding Requisition. Funds deposited with the Borrower for further disbursement to third parties shall be paid to such third parties by check dated the date of such deposit, and the Borrower reasonably expects such funds will be disbursed from its account within five Business Days of such deposit.

RELATED/MARIPOSA DEVELOPMENT
CO., L.P.

By _____
Its _____

APPROVED:

_____, as servicer

By _____
Its _____

BOND PURCHASE AGREEMENT

\$ _____
City and County of San Francisco
Variable Rate
Multifamily Housing Revenue Bonds
(1601 Mariposa Apartments),
2017 Series B-1

\$ _____
City and County of San Francisco
Variable Rate
Multifamily Housing Revenue Bonds
(1601 Mariposa Apartments),
2017 Series B-2

\$ _____
City and County of San Francisco
Variable Rate
Multifamily Housing Revenue Bonds
(1601 Mariposa Apartments),
2017 Series B-3 (Taxable)

_____, 2017

City and County of San Francisco
Mayor's Office of Housing and Community Development
1 South Van Ness Avenue, Fifth Floor
San Francisco, California 94103
Attention: Director

Related/Mariposa Development Co., L.P.
c/o Related California
44 Montgomery Street, Suite 1300
San Francisco, CA 94104
Attention: Gregory Vilkin

Ladies and Gentlemen:

Citigroup Global Markets Inc. (the "Underwriter") hereby offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with Related/Mariposa Development Co., L.P., a [Delaware] limited partnership (the "Borrower"), and the City and County of San Francisco (the "Issuer"), a municipal corporation organized and validly existing under the laws of the State of California (the "State"), whereby the Underwriter will purchase and the Issuer will sell its \$ _____ Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B-1 (the "Series B-1"), its \$ _____ Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B-2 (the "Series B-2 Bonds") and together with the Series B-1 Bonds, the "Tax-Exempt Bonds"), and its \$ _____ Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B-3 (Taxable) (the "Series B-

3 Bonds” or the “Taxable Bonds” and together with the Tax-Exempt Bonds, the “Bonds”) for the benefit of the Borrower. The Underwriter is making this offer subject to your acceptance at or before [2]:00 P.M., Pacific Time, on the date hereof. If the Borrower and the Issuer accept this Purchase Agreement, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall bind the Borrower, the Issuer and the Underwriter. The Underwriter may withdraw this Purchase Agreement upon written notice delivered by the Underwriter to the Borrower and the Issuer at any time before the Borrower and the Issuer accept this Purchase Agreement. If the Underwriter withdraws this offer, or the Underwriter’s obligation to purchase the Bonds is otherwise terminated by the Underwriter pursuant to Section 8 hereof, then and in such case, the Issuer shall be without any further obligation to the Underwriter, including the payment of any expenses or costs, and the Issuer shall be free to sell the Bonds to any other party. Capitalized terms used but not defined in this Purchase Agreement are defined in the Indenture (as defined below).

1. Purchase and Sale. On the Closing Date, upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, the full aggregate principal amount of the Bonds for a purchase price of 100% of the aggregate principal amount of the Bonds. The aggregate principal amount of the Bonds is \$_____. The Borrower agrees to pay to the Underwriter, as compensation for its services, an underwriting fee equal to \$_____ (the “Underwriting Fee”), from which the Underwriter will pay certain expenses, including the fees and expenses of its counsel. The Underwriting Fee shall be due and payable in immediately available funds on the Closing Date (as defined herein), solely and exclusively from funds provided by the Borrower.

The Issuer will deliver the Bonds to or for the account of the Underwriter against payment of the purchase price therefor by wire transfer of immediately available funds to the Trustee at or prior to 10:00 A.M., Pacific Time, on the Closing Date as set forth in Section 6 hereof, or at such other time not later than seven days thereafter as the Underwriter, the Borrower and the Issuer shall mutually agree. One Series B-1 Bond, one Series B-2 Bond and one Series B-3 Bond will be delivered to the Trustee, registered in the name of Cede & Co. as agent for The Depository Trust Company on or prior to the Closing Date. The Bonds may be in printed, engraved, typewritten or photocopied form, and each such form shall constitute a “definitive” form.

Closing on the Bonds is contingent on the closing, on or prior to the Closing Date of the Bonds, of the other financing sources related to the Project (defined below) being available on the Closing Date.

The Borrower and the Issuer each acknowledges and agrees that: (i) the primary role of the Underwriter, as an underwriter, is to purchase securities, for resale to investors, in an arm’s length commercial transaction among the Issuer, the Borrower and the Underwriter, and the Underwriter has financial and other interests that differ from those of the Issuer and the Borrower; (ii) the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer or the Borrower and has not assumed any advisory or fiduciary responsibility to the Issuer or the Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer or

the Borrower on other matters); (iii) the only obligations the Underwriter has to the Borrower and the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (iv) the Borrower and the Issuer have consulted their respective financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent each has deemed appropriate. Nothing in the foregoing paragraph is intended to limit the Underwriter's obligations of fair dealing under MSRB Rule G-17.

2. Description and Purpose of the Bonds. The Bonds have been authorized pursuant to (i) the Charter of the City and County of San Francisco, Article I of Chapter 43 of the Administrative Code of the City and County of San Francisco Municipal Code and Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, each as amended (collectively, the "Act"), (ii) a resolution, adopted by the Board of Supervisors of the Issuer on _____, 2017, and approved by the Mayor of the City of San Francisco on _____, 2017 (the "Resolution"), and (iii) the Indenture of Trust, dated as of July 1, 2017 (the "Indenture"), by and between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"). The Bonds shall be dated July __, 2017.

The proceeds of the sale of the Bonds will be used to finance a portion of the cost of acquiring, constructing and equipping a multifamily residential rental housing project by the name of 1601 Mariposa Apartments, consisting of approximately 299-units to be located at 1601 and 1677 Mariposa Street, 485-497 Carolina Street, 395 and 420 Wisconsin Street and 210 Arkansas Street, in San Francisco, California (the "Project"). Of the total 299-units, 60-units will be Very Low Income Units (as defined in the Regulatory Agreement (as hereinafter defined)), and 1 unit will be reserved for an onsite property manager.

The Bonds will be issued and fully funded on the Closing Date, with stated principal amounts as shown in the bond caption on the first page hereof. The Bonds will be secured under the provisions of the Act, the Indenture and the Loan Agreement, dated as of July 1, 2017 (the "Loan Agreement"), among the Borrower, the Trustee, and the Issuer. The Bonds shall mature in the years, bear interest, be purchased at the prices and be subject to optional and mandatory redemption at the times and in the amounts, all as set forth in the Indenture. The Authorized Denomination, Record Date, Interest Payment Date and other details and particulars of the Bonds shall be as described in the Indenture and the Official Statement. The Bonds shall initially bear interest at the Weekly Rate, mature on the dates and have such other terms as described in the Official Statement.

The Project is required to be operated in compliance with a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of July 1, 2017 (the "Regulatory Agreement"), between the Issuer and the Borrower. The Regulatory Agreement contains certain representations, warranties and covenants concerning the operation of the Project.

In connection with the remarketing of the Bonds on any tender date, the Borrower will enter into a Remarketing Agreement, dated as of July 1, 2017 (the "Remarketing Agreement"), with Citigroup Global Markets Inc., as remarketing agent for the Bonds (the "Remarketing Agent").

Payment of the principal of, interest on and purchase price of the Bonds will be secured by an irrevocable, direct pay letter of credit securing the Series B-1 Bonds and an irrevocable, direct pay letter of credit securing the Series B-2 Bonds and Series B-3 Bonds, as further described in the Indenture (collectively, the "Letters of Credit") to be issued concurrently with the issuance of the Bonds by Bank of America, N.A. (the "Bank"), pursuant to the provisions of the Reimbursement Agreements (as defined in the Indenture) between the Borrower and the Bank relating to the respective Letters of Credit.

The payment obligations of the Borrower under the Reimbursement Agreements, and the Loan Agreement will be secured by the Deed of Trust (as defined in the Indenture) and the Credit Providers Deed of Trust (as defined in the Indenture), which are together referred to herein as the "Deeds of Trust." The rights of the Bank and the Trustee will also be governed by a Bond Intercreditor Agreement (the "Bond Intercreditor Agreement"), dated as of the date of the Indenture, by and among the Trustee, the Bank and the Issuer, which will govern the exercise of the rights and remedies by the Bank, the Issuer and the Trustee.

3. Delivery of Documents.

(a) The Issuer and the Borrower have delivered or caused to be delivered to the Underwriter copies of the Preliminary Official Statement dated _____, 2017, which, together with the cover page and all appendices thereto, is herein referred to as the "Preliminary Official Statement," and the Official Statement dated _____ 2017, which, together with the cover page and appendices thereto, is herein referred to as the "Official Statement." It is acknowledged by the Issuer and the Borrower that the Underwriter may deliver the Preliminary Official Statement and the Official Statement electronically over the internet and in printed paper form. For purposes of this Purchase Agreement, the printed paper form of the Preliminary Official Statement and the Official Statement, if any, is deemed controlling. Pursuant to the form of certificate attached hereto as Exhibit D, the Borrower deems the Preliminary Official Statement final as of its date and as of the date hereof for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(1) thereof.

(b) An authorized officer of the Borrower shall execute the Official Statement. The Issuer and the Borrower hereby agree to deliver to the Underwriter an electronic copy of the Preliminary Official Statement and the Official Statement in a form that permits the Underwriter to satisfy its obligations under the rules and regulations of the Municipal Securities Rulemaking Board ("MSRB") and the U.S. Securities and Exchange Commission ("SEC"). The Issuer and the Borrower hereby ratify, confirm and approve the use and distribution by the Underwriter and hereby authorize the Underwriter to use the Preliminary Official Statement, the Official Statement and the Indenture in connection with the public offering and sale of the Bonds.

(c) The Borrower will supply sufficient quantities of the Official Statement to enable the Underwriter (i) to send a single copy of the Official Statement with any confirmation that requests payment for a Bond, and in any event within seven business days after the date hereof, and to any potential customer upon request until the earlier of (A) 90 days after the End of the Underwriting Period (as defined below) or (B) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no

case less than 25 days following the End of the Underwriting Period, and (ii) to comply with any applicable rules of the MSRB. The Underwriter agrees to promptly file the Official Statement with a nationally recognized municipal securities information repository. The “End of the Underwriting Period” means the later of the delivery of the Bonds by the Issuer to the Underwriter or when the Underwriter no longer retains (directly or as a syndicate member) an unsold balance of the Bonds for sale to the public, provided that the “End of the Underwriting Period” will be deemed to be the Closing Date unless the Underwriter otherwise notifies the Issuer and the Borrower in writing prior to such date that there is an unsold balance of the Bonds.

(d) In order to assist the Underwriter in complying with Rule 15c2-12, the Borrower will undertake, pursuant to the Continuing Disclosure Agreement, dated as of July 1, 2017 (the “Disclosure Agreement”), between the Borrower and U.S. Bank National Association, as dissemination agent (the “Dissemination Agent”), to provide annual financial information and notices of the occurrence of specified events. A description of the Disclosure Agreement is set forth in, and a form of such agreement is attached as an appendix to, the Official Statement.

(e) The Underwriter represents that all information contained in the Preliminary Official Statement and the Official Statement under the captions “THE BONDS – Disclosure Concerning Sales by Remarketing Agent and “UNDERWRITING” (to the extent such information is provided by the Underwriter) is true and correct in all material respects.

4. Issuer Representations. The Issuer, subject to the limitations provided herein, represents, warrants to, and covenants and agrees with, the Underwriter and the Borrower that:

(a) The Issuer is duly organized and existing under the laws of the State of California, with full legal right, power and authority to issue, sell and deliver the Bonds to the Underwriter pursuant to the Indenture, and execute, deliver and perform its obligations, as the case may be, under this Purchase Agreement, the Indenture, the Bonds, the Loan Agreement, the Tax Certificate, the Regulatory Agreement and the Bond Intercreditor Agreement (collectively, the “Issuer Documents”) and to perform and consummate all of its obligations and transactions required or described in each of the Issuer Documents.

(b) The Resolution approving and authorizing the execution and delivery by the Issuer of the Issuer Documents was duly adopted at a meeting of the Board of Supervisors of the Issuer called and held pursuant to law and with the public notice required by law and at which a quorum was present and acting throughout, was duly approved by the Mayor, and is in full force and effect and has not been amended or repealed.

(c) By official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement, and authorized and approved the execution and delivery of the Issuer Documents and the consummation by the Issuer of the transactions on its part contemplated thereby.

(d) The Bonds , when duly issued and authenticated in accordance with the Indenture and delivered to and paid for by the Underwriter as provided herein, assuming proper

authentication by the Trustee, will be validly issued and outstanding obligations of the Issuer, entitled to the benefits of the Indenture and payable from the sources specified therein.

(e) The Issuer has executed and delivered, or will execute and deliver on or before the Closing Date, each of the Issuer Documents. Each of the Issuer Documents constitutes, or will, as of the Closing Date, constitute, a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, or other laws affecting creditors' rights generally and by the application of equitable principles as the court having jurisdiction may impose, regardless of whether such proceeding is considered in a proceeding in equity or law, and to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities in California.

(f) Except as described in the Preliminary Official Statement and the Official Statement, to the best knowledge of the Issuer, (i), the Issuer is not in breach of or in default under any constitutional provision, law or administrative regulation of the State or of the United States or any agency or instrumentality of either, or of any other governmental agency, or any Material Judgment or Agreement (as defined below), which breach or default would have a material adverse effect on the Issuer's ability to perform its obligations under the Issuer Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a breach of or a default or an event of default under any such instrument which breach or default would have a material adverse effect on the Issuer's ability to perform its obligations under the Issuer Documents; provided that no representation is made regarding compliance with any federal or state securities or "blue sky" laws; and (ii) the issuance, delivery and sale of the Bonds and the execution and delivery of the Issuer Documents and compliance with and performance of the Issuer's obligations therein and herein will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under, any law, administrative regulation or any Material Judgment or Agreement, which breach or default would have a material adverse effect on the Issuer's ability to perform its obligations under the Issuer Documents. As used herein, the term "Material Judgment or Agreement" means any judgment or decree or any loan agreement, indenture, bond, note or resolution or any material agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its property or assets is otherwise subject (including, without limitation, the Act, the Resolution and the Issuer Documents).

(g) All approvals, consents, orders, authorizations, filings or registrations of or with any governmental authority, board, agency, council, commission or other body having jurisdiction, on its part required, which would constitute a condition precedent to the execution and delivery by the Issuer of the Issuer Documents or issuance of the Bonds, or the performance by the Issuer of its obligations hereunder and under the Issuer Documents have been obtained, or will be obtained on or by the Closing Date (except for the filing of the IRS Form 8038 or the CDLAC Report of Action Taken, both of which will be filed after closing); provided, that the Issuer makes no representations as to any approvals, consents or other actions which may be necessary to qualify the Bonds for offer and sale under Blue Sky or other state securities laws or regulations.

(h) Any certificates executed by any officer of the Issuer and delivered to the Underwriter pursuant hereto or in connection herewith shall be deemed a representation and warranty of the Issuer as to the accuracy of the statements therein made.

(i) The information under the captions "THE CITY AND COUNTY OF SAN FRANCISCO" and "ABSENCE OF MATERIAL LITIGATION – The City" in the Preliminary Official Statement, as of the date thereof did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) Both at the time of acceptance hereof by the Issuer and at the Closing Date, the statements and information contained in the Official Statement under the captions "THE CITY AND COUNTY OF SAN FRANCISCO" and "ABSENCE OF MATERIAL LITIGATION – The City" do not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) Except as described in the Preliminary Official Statement and the Official Statement, no litigation, proceeding or official investigation of any governmental or judicial body is pending against the Issuer, with service of process having been accomplished, or, to the knowledge of the Issuer, after due inquiry, threatened against the Issuer by a prospective party or their counsel in a writing addressed to and properly served on the Issuer: (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Bonds, or in any way contesting or affecting any proceedings of the Issuer taken concerning the sale thereof, or the pledge, collection, application or payment of any moneys or security provided for the payment of principal and interest on the Bonds; (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity or binding effect of any of the Issuer Documents, (iii) which is in any way contesting the creation, existence, powers or jurisdiction of the Issuer or the entitlement of any officers of the Issuer to their respective offices or the validity or effect of the Indenture or the Act or any provision thereof or the application of the proceeds of the Bonds, (iv) challenges the completeness or accuracy of the information in the Preliminary Official Statement or the Official Statement, or (v) which, if adversely determined, could materially adversely affect (A) the Project or any of the Issuer Documents, (B) the validity or enforceability of the Bonds, the Resolution or the Issuer Documents, (C) the exclusion from gross income for federal income tax purposes of the interest on the Tax-Exempt Bonds or (D) the use of the proceeds of the Bonds to make the Mortgage Loan.

(l) The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter, at the expense of the Borrower, as the Underwriter may reasonably request in endeavoring (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification in effect so long as required for distribution of the Bonds; provided, however, that in no event shall the Issuer be required to qualify as a foreign corporation or other entity in any other state or to take any action which would subject it to general or unlimited service of process in any jurisdiction in which it is not now so subject.

(m) If, until the earlier of (A) 90 days after the End of the Underwriting Period or (B) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than 25 days following the End of the Underwriting Period, (i) an event occurs, of which the Issuer has knowledge, which might or would cause the information contained in the Official Statement under the captions "THE CITY AND COUNTY OF SAN FRANCISCO" or "ABSENCE OF MATERIAL LITIGATION – The City" (insofar as the information under such captions pertains to the Issuer) as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or, (ii) if the Issuer is notified by the Borrower or otherwise requested to amend, supplement or otherwise change the Official Statement, the Issuer will notify the Underwriter and the Borrower, and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer will cooperate with the Borrower and the Underwriter to amend or supplement the Official Statement in a form and in a manner approved by the Underwriter and counsel to the Issuer, provided that all expenses thereby incurred will be paid by the Borrower.

(n) Until the earlier of (A) 90 days after the End of the Underwriting Period or (B) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than 25 days following the End of the Underwriting Period, (a) the Issuer will not participate in the issuance of any amendment or supplement to the Official Statement to which, after being furnished with a copy, the Borrower or the Underwriter shall reasonably object in writing or which shall be disapproved by any of their respective counsel and (b) if any event relating to or affecting the Issuer shall occur as a result of which it is necessary, in the opinion of counsel for the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, the Issuer will cooperate with the Borrower and the Underwriter to prepare and furnish to the Underwriter and the Borrower (at the expense of the Borrower) a reasonable number of copies of an amendment or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriter and counsel for the Issuer) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading.

(o) The Issuer has reviewed (a) the information in the G-17 Letter and (b) the information in the Preliminary Official Statement and the Official Statement under the caption "UNDERWRITING" and acknowledges and understands that various subsidiaries of Citigroup Global Markets Inc. (collectively, "Citi") will be serving in various capacities, in addition to the Underwriter and the Remarketing Agent, in connection with the Project and will receive fees for each of the services rendered. The Issuer will not be obligated to pay any of the fees incurred by Citi in any of these capacities in connection with the Project.

The execution and delivery of this Bond Purchase Agreement by the Issuer shall constitute a representation by the Issuer to the Underwriter that the representations and agreements contained in this Section 4 are true as of the date hereof; provided that as to information furnished by the Borrower pursuant to this Purchase Agreement and the Borrower Documents or otherwise and in

the Preliminary Official Statement and the Official Statement, the Issuer is relying on such information in making the Issuer's representations, warranties and agreements. No officer, agent or employee or member of the governing body of the Issuer shall be individually liable for the breach of any representation, warranty or agreement contained herein.

5. Borrower Representations. In order to induce the Issuer and the Underwriter to enter into this Purchase Agreement, the Borrower represents, warrants to and covenants and agrees with the Issuer and Underwriter that:

(a) Related/Mariposa Development Co., L.P. is duly organized and validly existing as a limited partnership under the laws of the State of [Delaware], is in good standing and duly qualified and authorized to conduct business in the State.

(b) The Borrower has full legal right, power and authority to execute, deliver and perform its obligations, as the case may be, under this Purchase Agreement, the Loan Agreement, the Tax Certificate, the Continuing Disclosure Agreement, the Remarketing Agreement, the Deeds of Trust, the Mortgage Note (as defined in the Indenture), the Regulatory Agreement, the Reimbursement Agreements, and any other applicable agreements to which the Borrower is a party (collectively, the "Borrower Documents") and together with the Issuer Documents, the "Legal Documents") and to perform and consummate all obligations and transactions required or described in each of the Borrower Documents and the Preliminary Official Statement and the Official Statement.

(c) By all necessary action, the Borrower has duly authorized and adopted the Borrower Documents and approved the execution and delivery of the Borrower Documents, and the performance by the Borrower of the obligations in connection with the issuance of the Bonds on its part contained in the Borrower Documents and the consummation by it of all other transactions contemplated by the Indenture, the Preliminary Official Statement, the Official Statement and the Borrower Documents in connection with the issuance of the Bonds. The Loan Agreement, the Mortgage Note and the Deed of Trust when assigned to the Trustee pursuant to the Indenture, will, to the extent of such assignment, constitute the legal, valid and binding agreement of the Borrower with the Trustee enforceable against the Borrower in accordance with their terms for the benefit of the Bondowners, and the Borrower Documents, to the extent that any rights of the Issuer and obligations of the Borrower thereunder are not so assigned to the Trustee, will constitute the legal, valid and binding agreements of the Borrower enforceable against the Borrower in accordance with their respective terms, except as enforcement of each of the above-named documents may be limited by bankruptcy, insolvency, moratorium and other laws affecting the enforcement of creditors' rights generally and by the application of such equitable principles as the court having jurisdiction may impose, regardless of whether such enforceability is considered in a proceeding in equity or at law and except as the indemnification provisions contained in any of the above-named documents may be found to be contrary to public policy.

(d) The Borrower has executed and delivered, or will execute and deliver on or before the Closing Date, each of the Borrower Documents. Each of the Borrower Documents constitutes, or will, as of the Closing Date, constitute, a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, or other laws

affecting creditors' rights generally and by the application of equitable principles as a court having jurisdiction may impose, regardless of whether such proceeding is considered a proceeding in equity or law. No consent or approval of any trustee or holder of any indebtedness of the Borrower, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except in connection with Blue Sky proceedings as to which no representation is made), is necessary in connection with the approval and delivery of this Purchase Agreement.

(e) Except as described in the Preliminary Official Statement and the Official Statement, (i) the Borrower is not in any material respect in breach of or in default under any constitutional provision, law, order, rule or administrative regulation of the State or of the United States or any agency or instrumentality of either, or of any other governmental agency, or any Material Judgment or Agreement (as defined below), which breach or default would have a materially adverse effect on the Borrower's ability to perform its obligations under any Material Judgment or Agreement, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, a default or event of default under any such instrument which breach or default would have a material adverse effect on the Borrower's ability to perform its obligations under any Material Judgment or Agreement; and (ii) the issuance, delivery and sale of the Bonds, and the execution and delivery of the Borrower Documents and compliance with and performance of the Borrower's obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute on the part of Borrower a default under, any such constitutional provision, law, order, rule, administrative regulation or any Material Judgment or Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower or under the terms of any such law, order, rule, administrative regulation or Material Judgment or Agreement. As used in this Section 5(e), the term "Material Judgment or Agreement" means any material judgment or decree or any loan agreement, indenture, bond, note or resolution or any material agreement or other instrument to which the Borrower is a party or to which the Borrower or any of its property or assets is otherwise subject (including, without limitation, the Borrower Documents).

(f) All approvals, consents, authorizations and orders of any governmental authority, board, agency, council, commission or other body having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the execution and delivery by the Borrower of the Borrower Documents or the performance by the Borrower of its obligations thereunder have been obtained and are in full force and effect, or will be obtained and be in full force and effect prior to or by the Closing Date (except for certain building permits, some of which may be obtained post-Closing); provided, that the Borrower makes no representations as to any approvals, consents or other actions which may be necessary to qualify the Bonds for offer and sale under Blue Sky or other state securities laws or regulations. Additionally, the Borrower has obtained the necessary governmental agency approvals, all variances from applicable zoning ordinances and all building permits (except for certain building permits, some of which may be obtained post-Closing) and easements or licenses required to date for the acquisition, construction, improvement, installation and equipping of the Project, to the extent such governmental agency approvals, variances, permits, easements and licenses constitute

all approvals required by the date hereof to acquire, construct, improve, install and equip the Project.

(g) Any certificates executed by any authorized representative of the Borrower and delivered to the Underwriter or the Issuer pursuant hereto or in connection herewith shall be deemed a representation and warranty of the Borrower when made as to the accuracy of the statements therein made. Additionally, all information provided by the Borrower and all representations made by the Borrower in its application to Issuer and the California Debt Limit Allocation Committee relating to the Project are true and correct in all material respects.

(h) Between the date hereof and the Closing Date, the Borrower shall not, without the prior written consent of the Underwriter and the Issuer, offer or issue in any material amount any bonds, other than the Bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, except in the course of normal business operations of the Borrower or except for such borrowings as may be described in the Preliminary Official Statement and the Official Statement.

(i) The Borrower has all necessary power and authority to conduct the business now being conducted by it and as contemplated by the Borrower Documents.

(j) The information in the Preliminary Official Statement and the Official Statement, as of their respective dates and as of the date hereof (except the information under the captions "THE BONDS – Disclosure Concerning Sales by Remarketing Agent – Remarketing Agent Routinely Purchase Bonds for their Own Account," "SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT AND THE LETTER OF CREDIT," "THE BANK," "THE CITY AND COUNTY OF SAN FRANCISCO," "UNDERWRITING," "ABSENCE OF MATERIAL LITIGATION – The City," "APPENDIX B – FORM OF LETTER OF CREDIT," and "APPENDIX C – BOOK-ENTRY SYSTEM") did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) The information in the Preliminary Official Statement and the Official Statement (except the information under the captions "THE BONDS – Disclosure Concerning Sales by Remarketing Agent – Remarketing Agent Routinely Purchase Bonds for their Own Account," "SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT AND THE LETTER OF CREDIT," "THE BANK," "THE CITY AND COUNTY OF SAN FRANCISCO," "UNDERWRITING," "ABSENCE OF MATERIAL LITIGATION – The City," "APPENDIX B – FORM OF LETTER OF CREDIT," and "APPENDIX C – BOOK-ENTRY SYSTEM") at all times after the respective dates of the Preliminary Official Statement and the Official Statement up to and including the Closing Date will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) If the Preliminary Official Statement or the Official Statement is supplemented or amended, at the time of each supplement or amendment and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including the Closing

Date, the information in the Preliminary Official Statement or the Official Statement (except the information under the captions "THE BONDS – Disclosure Concerning Sales by Remarketing Agent – Remarketing Agent Routinely Purchase Bonds for their Own Account," "SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT AND THE LETTER OF CREDIT," "THE BANK," "THE CITY AND COUNTY OF SAN FRANCISCO," "UNDERWRITING," "ABSENCE OF MATERIAL LITIGATION – The City," "APPENDIX B – FORM OF LETTER OF CREDIT," and "APPENDIX C – BOOK-ENTRY SYSTEM") as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(m) If between the date hereof and the Closing Date, any event shall occur, which is actually known to Borrower, or should have been known by the Borrower with the exercise of due diligence, and would cause the Preliminary Official Statement or the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Borrower shall notify the Underwriter and the Issuer thereof, and if, in the opinion of the Underwriter or the Issuer, such event requires the preparation and publication of a supplement or amendment to the Preliminary Official Statement or the Official Statement, the Borrower shall promptly (and in any event before the Closing Date) prepare and furnish (at the expense of the Borrower) a reasonable number of copies of an amendment of or supplement to the Preliminary Official Statement or the Official Statement in form and substance satisfactory to the Underwriter and the Issuer in accordance with Section 10 hereof.

(n) Until the earlier of (A) 90 days after the End of the Underwriting Period or (B) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than 25 days following the End of the Underwriting Period, (a) the Borrower will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Issuer or the Underwriter shall reasonably object in writing or which shall be disapproved by any of their respective counsel and (b) if any event related to or affecting the Issuer or the Borrower or the Project shall occur as a result of which it is necessary, in the opinion of counsel for the Underwriter or the Issuer, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, the Borrower shall forthwith prepare and furnish to the Underwriter and the Issuer (at the expense of the Borrower) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance reasonably satisfactory to counsel for the Underwriter and counsel to the Issuer) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading. For the purposes of this subsection, the Borrower will furnish such information with respect to itself and the Project as Underwriter and Issuer may from time to time reasonably request.

(o) Except as described in the Preliminary Official Statement and the Official Statement, no action, suit, inquiry, litigation, proceeding or investigation of any governmental or

judicial body is pending against the Borrower or, to the knowledge of the Borrower, after due and diligent inquiry, threatened against the Borrower, (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity or binding effect of any of the Borrower Documents, or the execution and delivery or adoption by the Borrower thereof, or the completeness or accuracy of the Preliminary Official Statement and the Official Statement or the consummation of the transactions contemplated thereby or hereby, (iii) which is in any way contesting the creation, existence, authority, powers or jurisdiction of the Borrower, or the authority of its authorized signatories executing this Purchase Agreement or the validity, enforceability or effect of the Indenture or the Act or any provision thereof or the application of the proceeds of the Bonds, or the exclusion from gross income for federal income tax purposes of the Tax-Exempt Bonds, or (iv) which, if adversely determined, could materially adversely affect the financial condition, assets, properties, position or operations of the Borrower or the transactions described in the Preliminary Official Statement and the Official Statement or any of the Borrower Documents; nor, to the Borrower's knowledge, after due and diligent inquiry, is there any basis for any such action, suit, inquiry, litigation, proceeding or investigation. The Borrower shall advise the Underwriter and the Issuer promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Preliminary Official Statement and the Official Statement in connection with the offering, sale or distribution of the Bonds.

(p) No representation made, nor any information, exhibit or report furnished to the Issuer by the Borrower in connection with the negotiation of this Purchase Agreement or any of the other Borrower Documents contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. There is no fact that the Borrower has not disclosed to the Issuer that materially and adversely affects the properties, business, assets or operations (financial or otherwise) of the Borrower or the ability of the Borrower to perform its obligations under this Purchase Agreement, any of the other Borrower Documents, or any documents or transactions contemplated hereby or thereby.

(q) During the last five years, the Borrower has not failed to materially comply with any previous undertaking relating to continuing disclosure of information pursuant to Rule 15c2-12.

(r) The Borrower will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use commercially reasonable efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Borrower shall not be required to register as a dealer or broker of securities or execute a general or special consent to service of process or qualify to do business in any jurisdiction where it is not now so subject.

(s) The Borrower will refrain from taking any action, or voluntarily permitting any action within its control to be taken, except as otherwise required by law, which will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Tax-Exempt Bonds.

(t) The Borrower shall honor all other covenants contained in the Borrower Documents, which agreements are incorporated herein and made a part of this Purchase Agreement.

(u) The Borrower will not voluntarily undertake any course of action inconsistent with the satisfaction of the requirements applicable to it as set forth in this Purchase Agreement or the Borrower Documents.

(v) In order to assist the Remarketing Agent for the Bonds to comply with its obligations under MSRB Rule G-34(c) as remarketing agent, the Borrower agrees to provide the Remarketing Agent with the documents set forth in Section 7(a)(xi)(13) herein on the Closing Date. All representations, warranties and agreements of the Borrower herein shall remain operative and in full force and effect, regardless of any investigations made by the Underwriter or the Issuer or on the Underwriter's or the Issuer's behalf, and shall survive the Closing Date and the delivery of the Bonds.

The execution and delivery of this Purchase Agreement by the Borrower shall constitute a representation to the Underwriter that the representations and warranties contained in this section are true and correct in all material respects as of the date hereof and as of the Closing Date.

6. Closing. At 10:00 A.M., Pacific Time, on July __, 2017, or at such other time or date as the Underwriter, the Borrower and the Issuer may mutually agree upon as the date and time of the closing (the "Closing Date"), the Issuer will deliver or cause to be delivered to the Underwriter, at the offices of Jones Hall, a Professional Law Corporation, San Francisco, California (together with Curls Bartling P.C., "Co-Bond Counsel"), 475 Sansome Street, Suite 1700, San Francisco, CA 94111, or at such other place as the Underwriter and the Issuer may mutually agree upon, the Bonds, through the facilities of The Depository Trust Company, New York, New York ("DTC"), duly executed and authenticated, and the other documents specified in Section 7. On the Closing Date, (a) upon satisfaction of the conditions herein specified, the Underwriter shall accept the delivery of the Bonds, and pay the purchase price therefor in federal funds payable to the order of the Trustee for the account of the Issuer and (b) the Issuer shall deliver or cause to be delivered the Bonds to the Underwriter through the facilities of DTC in definitive or temporary form, duly executed by the Issuer and in the Authorized Denomination as specified by the Underwriter on the Closing Date and the Borrower and the Issuer shall deliver the other documents hereinafter mentioned. The Bonds shall be made available to the Underwriter at least one (1) business day before the Closing Date for purposes of inspection.

7. Conditions Precedent. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and agreements of the Borrower and the Issuer contained herein and the performance by the Borrower and the Issuer of their respective obligations hereunder, both as of the date hereof and as of the Closing Date.

(a) The Underwriter's obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(i) The representations of the Issuer contained herein shall be true, complete and correct in all material respects on the date of acceptance hereof and on and as of the Closing Date.

(ii) The representations of the Borrower contained herein shall be true, complete and correct in all material respects on the date of acceptance hereof and on and as of the Closing Date.

(iii) The Official Statement (as the same may be amended or supplemented with the written approval of the Underwriter) shall not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(iv) On the Closing Date, the Official Statement, the Resolution, the Borrower Documents and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter.

(v) The Issuer shall perform or have performed all of its obligations required under or specified in the Resolution, the Issuer Documents, and the Official Statement to be performed at or prior to the Closing Date.

(vi) The Borrower shall perform or have performed all of its obligations required under or specified in the Borrower Documents, the Reimbursement Agreements and the Official Statement to be performed at or prior to the Closing Date.

(vii) The Borrower shall have delivered to the Underwriter the final Official Statement by the time required by Section 3 of this Purchase Agreement.

(viii) As of the date hereof and as of the Closing Date, all necessary official action of the Issuer relating to the Issuer Documents and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(ix) As of the date hereof and as of the Closing Date, all necessary official action of the Borrower relating to the Borrower Documents and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(x) As of the Closing Date, no material adverse change shall have occurred, nor shall any development involving a prospective material and adverse change in, or affecting the affairs, business, financial condition, results of operations, prospects or properties (including the Project) of, any of the Issuer, the Bank, or the Borrower have occurred between the date hereof and the Closing Date.

(xi) At or prior to the Closing Date, the Underwriter shall receive the following documents (in each case with only such changes as the Underwriter shall approve):

(1) The approving opinion(s) of Co-Bond Counsel relating to the Bonds, dated the Closing Date, substantially in the form attached as Appendix D to the Official Statement, and a reliance letter with respect thereto addressed to the Underwriter;

(2) The supplemental opinion of Co-Bond Counsel, addressed to the Underwriter, dated the Closing Date, to the effect that:

(A) This Purchase Agreement has been duly executed and delivered by the Issuer and is a legal, valid and binding obligation of the Issuer, subject to laws relating to bankruptcy, insolvency, reorganization or creditors' rights generally, to the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State;

(B) The statements contained in the Preliminary Official Statement and the Official Statement as of their respective dates and as of the Closing Date in the captions entitled "INTRODUCTION", "THE BONDS" (other than the information concerning DTC and the book-entry system, and the statements under the subcaptions "Remarketing Agent" and "Disclosure Concerning Sales by Remarketing Agent"), "SECURITY FOR THE BONDS," "TAX MATTERS," "APPENDIX A – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL DOCUMENTS," and "APPENDIX D – FORM OF OPINIONS OF CO-BOND COUNSEL" insofar as such statements expressly summarize certain provisions of the Indenture, the Bonds, the Loan Agreement, the Regulatory Agreement, the Bond Intercreditor Agreement and the form and content of such counsel's opinion attached as Appendix D to the Official Statement, are accurate in all material respects;

(C) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the "1933 Act") and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act");

(3) A letter, dated the Closing Date and addressed to the Issuer and the Underwriter, from Hawkins Delafield & Wood LLP, San Francisco, California, Disclosure Counsel, to the effect that:

Based upon the information made available to them in the course of their participation in the preparation of the Preliminary Official Statement and the Official Statement and without passing on and without assuming any responsibility for the accuracy, completeness

and fairness of the statements in the Preliminary Official Statement and the Official Statement, and having made no independent investigation or verification thereof, nothing has come to the attention of the attorneys in the firm rendering legal services in connection with the Bonds which would lead them to believe that the Preliminary Official Statement, as of its date, and the Official Statement, as of its date and as of the Closing Date (excluding therefrom any information in the Preliminary Official Statement and the Official Statement relating to DTC, the operation of the book-entry system, information regarding the Bank, the Letters of Credit, the Reimbursement Agreements or any other financial or statistical data or projections or estimates or expressions of opinion included in the Preliminary Official Statement and the Official Statement and the appendices thereto, as to which no opinion need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(4) The opinion of the Office of the City Attorney, counsel to the Issuer, dated the Closing Date and addressed to the Issuer, in substantially the form attached hereto as Exhibit E.

(5) The opinion(s) of Levitt & Boccio, LLP, New York, New York, Gibson, Dunn & Crutcher LLP, Los Angeles, California, and Cox Castle & Nicholson LLP, San Francisco, California co-counsel to the Borrower, dated the Closing Date and addressed to the Issuer and the Underwriter, to the effect that:

- (A) The Borrower is a limited partnership duly organized and validly existing under the laws of the State of Delaware, is in good standing and duly qualified and authorized to conduct business in the State;
- (B) The Borrower has full legal right, power and authority (a) to own its properties and conduct its business as described in the Preliminary Official Statement and the Official Statement and (b) to enter into and to carry out and consummate the transactions contemplated by the Borrower Documents.
- (C) The Borrower has taken all necessary legal action to authorize the execution and delivery of the Borrower Documents, and the undertaking of its obligations thereunder, and the taking of all actions as may be required on the part of the Borrower to carry out the same; and the making and performance of each such agreement will not conflict with, constitute a breach of or a default under, or violate any provision of the organizational documents of the Borrower or any indenture, agreement or other instrument to which the Borrower is a party or by which the Borrower or any of its

properties may be bound, or any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental body to which the Borrower or any of its properties are subject;

- (D) The Borrower Documents have been duly executed and delivered by the Borrower, are in full force and effect and constitute the legal, valid and binding obligations of the Borrower enforceable in accordance with their respective terms, except as enforcement may be limited by equitable principles, or by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, or other laws affecting creditors' rights generally and by the application of equitable principles as a court having jurisdiction may impose, regardless of whether such proceeding is considered a proceeding in equity or law.;
- (E) Except as described in the Preliminary Official Statement and the Official Statement, no action, suit, inquiry, litigation, proceeding or investigation of any governmental or judicial body is pending against the Borrower or, to the knowledge of the Borrower, after due and diligent inquiry, threatened against the Borrower, (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity or binding effect of any of the Borrower Documents, or the execution and delivery or adoption by the Borrower thereof, or the completeness or accuracy of the Preliminary Official Statement and the Official Statement or the consummation of the transactions contemplated thereby or hereby, (iii) which is in any way contesting the creation, existence, authority, powers or jurisdiction of the Borrower, or the authority of its authorized signatories executing this Purchase Agreement or the validity, enforceability or effect of the Indenture or the Act or any provision thereof or the application of the proceeds of the Bonds, or the exclusion from gross income for federal income tax purposes of the Tax-Exempt Bonds, or (iv) which, if adversely determined, could materially adversely affect the financial condition, assets, properties, position or operations of the Borrower or the transactions described in the Preliminary Official Statement and the Official Statement or any of the Borrower Documents; nor, to the Borrower's knowledge, after due and diligent inquiry, is there any basis for any such action, suit, inquiry, litigation, proceeding or investigation. ;
- (F) Except for such approvals as have been obtained (other than building permits, some of which will be obtained when necessary),

no approval, consent, authorization, order or other action by or a filing or registration with any governmental authority, board, agency, council, commission or quasi-governmental agency or private corporation is required as a condition to the execution, delivery or performance by the Borrower of the Borrower Documents, or its approval, execution and delivery of the Preliminary Official Statement and the Official Statement, except that counsel shall express no opinion whatsoever with respect to: (1) any approvals, authorizations or other action that may be required in connection with the offer and sale of the Bonds in certain jurisdictions which may be subject to the provisions of the securities or Blue Sky laws of such jurisdictions; or (2) any approvals required to be obtained by the Issuer or other parties, other than the Borrower to the Borrower Documents;

- (G) Nothing has come to counsel's attention that would lead it to believe that the information in the Preliminary Official Statement and the Official Statement (except the information under the captions "THE BONDS – Disclosure Concerning Sales by Remarketing Agent – Remarketing Agent Routinely Purchase Bonds for their Own Account," "SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT AND THE LETTER OF CREDIT," "THE BANK," "THE CITY AND COUNTY OF SAN FRANCISCO," "UNDERWRITING," "ABSENCE OF MATERIAL LITIGATION – The City," "APPENDIX B – FORM OF LETTER OF CREDIT," and "APPENDIX C – BOOK-ENTRY SYSTEM") as of their respective dates and as of the Closing Date, contains an untrue statement of a material fact or omits to state a material fact that is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;
 - (H) The Borrower may not plead the defense of usury or maintain an action for usury with respect to the loan(s) being made under the Legal Documents;
- (6) The opinion of Dorsey & Whitney, LLP, counsel to the Trustee, dated the Closing Date and addressed to the Underwriter, to the effect that:
- (A) The Trustee is a national banking association duly organized, validly existing and in good standing under the laws of the United States having full power and authority and being qualified to enter into, accept and administer the trust created under the Indenture to which it is a party and to enter into such Indenture;
 - (B) The Legal Documents to which the Trustee is a party have been duly authorized, executed and delivered by the Trustee and constitute the legal, valid and binding obligations of the Trustee enforceable

against the Trustee in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought;

- (C) The execution, delivery and performance of the Indenture will not conflict with or cause a default under any law, ruling, agreement, administrative regulation or other instrument by which the Trustee is bound;
- (D) All authorizations and approvals required by law and the articles of association and bylaws of the Trustee in order for the Trustee to execute and deliver and perform its obligations under the Indenture to which it is a party have been obtained;
- (E) The Trustee has duly authenticated and delivered the Bonds in accordance with the terms of the Resolution and the Indenture; and
- (F) No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending or threatened in any way affecting the existence of the Trustee or the titles of its directors or officers to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the Bonds or the application of proceeds thereof in accordance with the Indenture, or in any way contesting or affecting the Bonds or the Indenture;

(7) The opinion of Eichner Norris & Neumann PLLC, as counsel to the Underwriter, dated the Closing Date and addressed to the Underwriter, and covering such matters as the Underwriter may reasonably request;

(8) (A) The opinion of Schiff Hardin LLP, counsel to the Bank, dated the Closing Date and addressed to the Issuer, Trustee and Underwriter, in form and substance as set forth in Exhibit A-1 hereto *{which opinion should, among other things, include an accuracy/10b-5 representation on the summary of the Reimbursement Agreements and the section on the Bank in the POS and OS, the validity and binding nature of the Reimbursement Agreement and LOCs and exemption of the LOCs from registration}*;

(9) The opinion of Chapman and Cutler LLP, counsel to the State Teachers Retirement System of Ohio, dated the Closing Date and addressed to the Issuer, Trustee and Underwriter in form and substance as set forth in Exhibit A-2 *{which opinion should, among other things, include an accuracy/10b-5 representation on the summary of the Series B-2 & Series B-3 Reimbursement Agreement in the POS/OS, the validity and binding nature of the Series B-2 & Series B-3 Reimbursement Agreement and the Series B-2 & Series B-3 Letter of Credit and its exemption from registration}*;

(10) A certificate, dated the Closing Date, signed by an Authorized Officer of the Issuer, in substantially the form attached hereto as Exhibit F;

(11) A certificate, dated the Closing Date, of Ross Financial, municipal advisor to the Issuer, to the effect that, the information in the Preliminary Official Statement and the Official Statement under the caption "MUNICIPAL ADVISOR" as of their respective dates and as of the Closing Date did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(12) A certificate, dated the Closing Date, signed by an authorized signatory of the Borrower to the effect that: (a) the representations and agreements of the Borrower contained herein and in the other Borrower Documents are true and correct in all material respects as of the Closing Date; (b) the Borrower Documents have been duly authorized and executed and are in full force and effect; (c) except as described in the Preliminary Official Statement and the Official Statement, no litigation, suit, inquiry, litigation, proceeding or investigation of any governmental or judicial body is pending against the Borrower or, to his or her knowledge, after due and diligent inquiry, threatened against the Borrower; ((i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity or binding effect of any of the Borrower Documents, or the execution and delivery or adoption by the Borrower thereof, or the completeness or accuracy of the Preliminary Official Statement and the Official Statement or the consummation of the transactions contemplated thereby or hereby, (iii) which is in any way contesting the creation, existence, authority, powers or jurisdiction of the Borrower, or the authority of its authorized signatories executing this Purchase Agreement or the validity, enforceability or effect of the Indenture or the Act or any provision thereof or the application of the proceeds of the Bonds, or the exclusion from gross income for federal income tax purposes of the Tax-Exempt Bonds, or (iv) which, if adversely determined, could materially adversely affect the financial condition, assets, properties, position or operations of the Borrower or the transactions described in the Preliminary Official Statement and the Official Statement or any of the Borrower Documents; nor, to the Borrower's knowledge, after due and diligent inquiry, is there any basis for any such action, suit, inquiry, litigation, proceeding or investigation; (d) the information in the Preliminary Official Statement and the Official Statement (except the information under the captions "THE BONDS – Disclosure Concerning Sales by Remarketing Agent – Remarketing Agent Routinely Purchase Bonds for their Own Account," "SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT AND THE LETTER OF CREDIT," "THE BANK," "THE CITY AND COUNTY OF SAN FRANCISCO," "UNDERWRITING," "ABSENCE OF MATERIAL LITIGATION – The City," "APPENDIX B – FORM OF LETTER OF CREDIT," and "APPENDIX C – BOOK-ENTRY SYSTEM") as of their respective dates and as of the Closing Date did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; (e) no event has occurred since the date of the Preliminary Official Statement and the Official Statement which should be disclosed in the Preliminary Official Statement and the Official Statement

for the purpose for which they are to be used or which is necessary to be disclosed therein in order to make the statements and information therein not misleading and (f) the Borrower has complied with all agreements and satisfied all the conditions on its part to be performed or satisfied under the Borrower Documents at or prior to the Closing Date;

(13) Executed or certified copies of the Indenture;

(14) Executed or certified copies of each other Legal Document;

(15) For purposes of satisfying the obligations of the Remarketing Agent under MSRB Rule G-34, the Borrower shall provide or cause to be provided: (a) a clean, word-searchable electronic final execution copy of each document required to be submitted by the Remarketing Agent under Rule G-34, including, but not limited to the Remarketing Agreement, the Indenture, the Letters of Credit, and the Reimbursement Agreements; and (b) if any redactions are made in such documents, (x) a redacted word-searchable electronic final execution copy of such documents, and (y) a file containing a list showing all redactions that have been made to such documents;

(16) A certificate of the Bank, dated as of the Closing Date, in form and substance as set forth in Exhibit B hereto *[which should include a 10b-5 representation on the section on the Bank and the forms of the LOC attached to the POS/OS.]*

(17) An executed copy of each Letter of Credit;

(18) A Tax Certificate executed by the Borrower and the Issuer, in form satisfactory to Co-Bond Counsel, executed by such authorized signatories of the Borrower and the Issuer as shall be satisfactory to the Underwriter;

(19) A certified copy of the Resolution;

(20) Evidence satisfactory to the Underwriter of the assignment of ratings to the Bonds by (i) S&P Global Ratings ("S&P") of at least " " and/or (ii) Moody's Investor Services, Inc. ("Moody's" and together with S&P, the "Rating Agency") of at least " ";

(21) A certificate of an authorized officer of the Trustee, dated as of the Closing Date, to the effect that: (a) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to the Underwriter; (b) the Trustee is duly authorized to enter into the Indenture and to authenticate and deliver the Bonds to the Underwriter pursuant to the Indenture; (c) when delivered to and paid for by the Underwriter on the Closing Date, the Bonds will have been duly authenticated and delivered by the Trustee; (d) the execution and delivery of the Indenture and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law,

administrative regulation, judgment, decree, loan agreement, indenture, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), which conflict, breach or default would materially impair the ability of the Trustee to perform its obligations under the Indenture, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Indenture under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Indenture; and (e) it has not been served with any action, suit, proceeding, inquiry or investigation in law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoining the execution and delivery of the Bonds or the collection of revenues to be applied to pay the principal, premium, if any, and interest with respect to the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Indenture, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or funding would materially adversely affect the validity or enforceability of the Indenture or the power and authority of the Trustee to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to or upon the order of the Underwriter;

(22) Evidence that a Form 8038 relating to the Tax-Exempt Bonds has been executed by the Issuer and will be filed with the Internal Revenue Service (the "IRS") within the applicable time limit;

(23) A copy of the blue sky survey with respect to the Bonds;

(24) A copy of the Issuer's executed Blanket Letter of Representation to The Depository Trust Company; and

(25) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, counsel for the Underwriter or Co-Bond Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the Closing Date, of the representations of the Issuer herein contained and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer and all conditions precedent to the issuance of additional Bonds pursuant to the Indenture shall have been fulfilled.

(xii) As of the Closing Date, no default or event of default (as defined in any of the Legal Documents) shall have occurred and be continuing, and no event shall have occurred and be continuing which, with the lapse of time or the giving of notice or both, would constitute such a default or event of default.

(xiii) As of the Closing Date, each of the Legal Documents shall have been executed and delivered by each of the respective parties thereto, all such documents shall be in forms exhibited to the Underwriter on the date hereof with only such changes as the Underwriter may approve, and each of the Legal Documents shall be in full force and effect.

(xiv) As of the Closing Date, no order, decree, injunction, ruling or regulation of any court, regulatory agency, public board or body shall have been issued nor shall any legislation have been enacted with the purpose or effect, directly or indirectly, of prohibiting the offering, sale or issuance of the Bonds by the Issuer as contemplated by this Purchase Agreement or by the Official Statement.

(xv) As of the Closing Date, none of the events referred to in Section 8 of this Purchase Agreement shall have occurred.

All of the legal opinions, certificates, proceedings, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance reasonably satisfactory to the Underwriter, the Borrower and the Issuer.

(b) If any conditions to the obligations of the Underwriter or the Issuer contained in this Purchase Agreement are not satisfied and the satisfaction of such conditions shall not be waived by the Underwriter and the Issuer, then, at the option of the Underwriter and the Issuer, (i) the Closing Date shall be postponed for such period, not to exceed seven days, as may be necessary for such conditions to be satisfied or (ii) without limiting the generality of Section 9(e) of this Purchase Agreement, the obligations of the Underwriter and the Issuer under this Purchase Agreement shall terminate, and neither the Underwriter nor the Issuer shall have any further obligations or liabilities hereunder, except the Borrower shall be obligated with respect to all reasonable fees, expenses and costs incurred payable to the Issuer pursuant to Section 11 hereof.

8. Termination. If the Borrower or the Issuer shall be unable to satisfy the conditions of the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, and only after consultation with the Issuer, this Purchase Agreement may be cancelled by the Underwriter at any time subsequent to the date hereof and on or prior to the Closing Date, effective upon written notice to the Issuer, if any of the following events have occurred. The performance by the Borrower and the Issuer of any and all conditions contained in this Purchase Agreement for the benefit of the Underwriter may be waived by the Underwriter, except that the Borrower shall be obligated with respect to payment of all reasonable fees, expenses and costs incurred by and payable to the Issuer and the Underwriter pursuant to Section 11 hereof.

(a) Any event or circumstance occurs or information becomes known, which, in the reasonable professional judgment of the Underwriter, Co-Bond Counsel and Disclosure

Counsel makes untrue any statement of a material fact set forth in the Preliminary Official Statement or the Official Statement or results in an omission to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading and, in either such event, (i) the Issuer or the Borrower refuses to permit the Preliminary Official Statement or the Official Statement to be supplemented to supply such statement or information in a manner satisfactory to the Underwriter or (ii) the effect of the Preliminary Official Statement or the Official Statement in such condition and not supplemented is, in the reasonable professional judgment of the Underwriter, to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(b) The market for the Bonds or the market prices of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds shall have been materially and adversely affected, in the reasonable professional judgment of the Underwriter, by events (1) – (7) below:

1. An amendment to the Constitution of the United States or the State shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States shall have been amended or legislation shall have been recommended to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the IRS or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such Committee by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the Issuer or upon interest received on obligations of the general character of the Tax-Exempt Bonds which, in the judgment of the Underwriter, may have the purpose or effect, directly or indirectly, of affecting the federal or State tax status of the Issuer, its property or income, its securities (including the Tax-Exempt Bonds) or the interest thereon, or any tax exemption granted or authorized by State legislation; or

2. The declaration of war by or against the United States, any major new escalation of military hostilities by the United States or the occurrence of any other national or international emergency or calamity or terrorism affecting the operation of the government of, or the financial community in, the United States; or
3. The declaration of a general banking moratorium by federal, New York or State authorities; or
4. The occurrence of a major financial crisis, a material disruption in municipal bond market securities settlement, payment or clearance services or any calamity or crisis in the financial markets of the United States, or a material disruption or deterioration in the fixed income or municipal securities market that affects the sale of the Bonds; or
5. Additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon the trading of securities in general or on the Bonds, or with respect to the extension of credit by or the charge to the net capital requirements of underwriters or broker-dealers, by any governmental authority or by any national securities exchange; or
6. The general suspension of trading on, or other material restrictions on, any national securities exchange not in effect as of the date hereof; or
7. A downgrade of the sovereign debt rating of the United States by any major credit rating agency or payment default on United States Treasury obligations; or

(c) Legislation introduced in or enacted (or resolution passed) by the Congress, legislation recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the SEC, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect; or

(d) Any change in, or particularly affecting, the Issuer, the Act, the Resolution, the Legal Documents, the Bank, the Letter of Credit or the Trust Estate as the foregoing matters are described in the Official Statement, which results in a downgrade by a rating agency of its rating of the Bonds, which downgrade in the reasonable professional opinion of the Underwriter, materially impairs the investment quality of the Bonds; or

(e) An order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby and as described in the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect; or

(f) A stop order, ruling, regulation, proposed regulation or statement by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, sale or distribution of obligations of the general character of the Bonds (including any related underlying obligations), or the execution and delivery of any Legal Documents, as contemplated hereby and as contemplated in the Official Statement, is in violation or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws, including the provisions of the 1933 Act, the Trust Indenture Act, or the Securities Exchange Act of 1934, as amended; or

(g) a downgrading or suspension of any rating (without regard to credit enhancement) by Moody's, S&P, or Fitch Ratings ("Fitch") of any debt securities issued by the Issuer, or there shall have been any official statement as to a possible downgrading (such as being placed on "credit watch" or "negative outlook" or any similar qualification) of any rating by Moody's, S&P or Fitch of any debt securities issued by the Issuer, including the Bonds, except in cases where such action or possibility of action has been caused solely by a change in the rating of a credit provider or liquidity provider and so long as such credit provider or liquidity provider is not the Bank in the capacity it is serving in connection with the Bonds; or

(h) A reduction or withdrawal in any of the S&P ____ rating or the Moody's ____ rating, or, as of the Closing Date, the failure by S&P and/or Moody's to assign such ratings to the Bonds; or

(i) Any litigation shall have been filed against the Issuer and pending with service of process accomplished as of the Closing Date to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Act, the Resolution, the Legal Documents or the existence of the powers of the Issuer with respect to the obligations under the Legal Documents.

9. Indemnification. (a) To the fullest extent permitted by law, the Borrower shall pay, defend, protect, indemnify, save and hold harmless the Issuer, its directors, officers, members, partners, employees, affiliates, and agents, and the Underwriter and its directors, officers, members, partners, employees, affiliates, and agents and each person who controls the Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the Securities Exchange Act of 1934 (collectively, the "Indemnified Party"), against any and all losses, claims, damages, costs, expenses (including reasonable attorneys' fees), causes of action (whether in contract, tort or otherwise), suits, demands and judgments of any kind, character and nature, or liabilities, joint or several (collectively, the "Liabilities"), (a) to which any such Indemnified Party may become subject, under any statute or regulation at law or in equity or otherwise, insofar as such Liabilities are causes by or directly or indirectly arise out of or are based upon or in any way related to (i) as

to the Issuer and its Indemnified Parties only, the Bonds, the Project, the Legal Documents, this Purchase Agreement or any other document, transaction or agreement, written or oral, pertaining to the foregoing, (ii) as to all the Indemnified Parties, any untrue statement of a material fact or alleged untrue statement of material fact set forth in the Preliminary Official Statement or the Official Statement (except the information under the captions "THE BONDS – Disclosure Concerning Sales by Remarketing Agent – Remarketing Agent Routinely Purchase Bonds for their Own Account," "THE CITY AND COUNTY OF SAN FRANCISCO," "ABSENCE OF MATERIAL LITIGATION – The City" and "UNDERWRITING" to the extent such information is provided by the Underwriter) or any amendment or supplement thereto which is necessary in order to make the statements made therein, in the light of the circumstances in which they were made, not misleading, or (iii) as to all the Indemnified Parties, any omission or alleged omission to state in the Preliminary Official Statement or the Official Statement (except the information under the captions "THE BONDS – Disclosure Concerning Sales by Remarketing Agent – Remarketing Agent Routinely Purchase Bonds for their Own Account," "THE CITY AND COUNTY OF SAN FRANCISCO," "ABSENCE OF MATERIAL LITIGATION – The City" and "UNDERWRITING" to the extent such information is provided by the Underwriter) or any amendment or supplement thereto a material fact which is necessary in order to make the statements made therein, in the light of the circumstances in which they were made, not misleading, and (b) to the extent of the aggregate amount paid in any settlement of any litigation commenced or threatened arising from a Liability if such settlement is effected with the written consent of the Borrower (which consent shall not be unreasonably withheld); and will reimburse any legal or other expenses reasonably incurred by any such Indemnified Party in connection with investigating or defending any such Liability. This indemnity agreement shall be in addition to and shall not be construed as a limitation on any other liability which the Borrower may otherwise have to any Indemnified Party pursuant to the Borrower Documents or otherwise.

(b) The Borrower also agrees to pay, defend, protect, indemnify, save and hold harmless the Underwriter and each affiliate, member, officer, director, official, employee and agent of the Underwriter from and against the Liabilities directly or indirectly arising from or relating to any errors or omissions of any nature whatsoever contained in any legal proceedings or other official representation or inducement made by the Issuer pertaining to the Bonds.

(c) An Indemnified Party shall, promptly after the receipt of notice of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against the Borrower, notify the Borrower in writing of the commencement thereof, but the omission to notify the Borrower of any such action shall not relieve the Borrower from any liability that it may have to such Indemnified Party otherwise than under the indemnity agreement contained herein above unless and to the extent the Borrower did not otherwise learn of such action and such failure results in the forfeiture by the Borrower of substantial rights and defenses. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Borrower of the commencement thereof, the Borrower may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Party (provided, however, that if the Indemnified Party is the Issuer, the selection of counsel rests in the sole discretion of the City Attorney), and after notice from the Borrower to such Indemnified Party of an election so to assume the defense thereof, the Borrower will not be liable to such Indemnified Party under this paragraph for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof

other than reasonable costs of investigation. The Indemnified Party shall at all times also have the right to fully participate in the defense and shall have the right to review and approve or disapprove any compromise or settlement which approval shall not be unreasonably withheld, conditioned or delayed. If there may be legal defenses available to the Indemnified Party that are materially different from or in addition to those available to the Borrower, if conflicts of interest exist or arise between the Borrower and the Indemnified Party or if the Borrower shall, after this notice and within a period of time necessary to preserve any and all defenses to any claim asserted, fail to assume the defense or to employ counsel for that purpose reasonably satisfactory to the Indemnified Party, the Indemnified Party shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of, and at the risk and expense of, the Borrower. The Borrower shall not be liable for any settlement of such action effected without its consent, such consent not to be unreasonably withheld, but if settled with the consent of the Borrower, or if there is final nonappealable judgment for the plaintiff in any such action with or without consent, the Borrower agrees to indemnify and hold harmless the Indemnified Party or Parties from and against any loss or liability by reason of settlement or judgment to the extent set forth in this paragraph.

(d) If the indemnification provided for in this Section 9 is unavailable or insufficient to hold harmless an Indemnified Party under subsection (a) above, then the Borrower and the Indemnified Party (other than the Issuer) shall contribute proportionately to the aggregate Liabilities to which the Borrower and the Indemnified Party (other than the Issuer) may be subject, so that the Indemnified Party (other than the Issuer) is responsible for that portion represented by the percentage that the fees paid by the Borrower to the Indemnified Party (other than the Issuer) in connection with the issuance and administration of the Bonds bears to the aggregate offering price of the Bonds, with the Borrower responsible for the balance; provided, however, that in no case shall the Underwriter be responsible for any amount in excess of the fees paid by the Borrower to the Underwriter in connection with the issuance and administration of the Bonds. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) The Indemnified Parties, other than the Issuer and the Underwriter, shall be considered to be third-party beneficiaries of this Purchase Agreement and shall be entitled to enforce their rights hereunder as if they were parties to this Purchase Agreement. The provisions of this section will be in addition to all liability that the Borrower may otherwise have and shall survive any termination of this Purchase Agreement, the offering and sale of the Bonds and the payment or provisions for payment of the Bonds.

10. Amendments to Official Statement. If, during the period from the date hereof and ending on the earlier of (i) 90 days after the End of the Underwriting Period or (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than 25 days following the End of the Underwriting Period, any event occurs as a result of which the Official Statement for the Bonds as then amended or supplemented might include an untrue statement of material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer, if such event relates to the information included in the Official Statement under the captions "THE CITY AND COUNTY OF SAN FRANCISCO" and

“ABSENCE OF MATERIAL LITIGATION – The City” of which the Issuer has, or, with the exercise of due care would have had, knowledge, or the Borrower (to the extent such event is actually known to Borrower, or should have been known by the Borrower with the exercise of due diligence) shall promptly notify the Underwriter thereof and shall (in either case, at the expense of the Borrower), upon the request of the Underwriter, prepare and deliver to the Underwriter, as many copies of an amendment or supplement which will correct such statement or omission as the Underwriter may reasonably request.

11. Expenses. All expenses and costs in connection with the authorization, issuance and sale of the Bonds to the Underwriter, including (a) the costs of printing or reproduction of the Bonds, the Legal Documents, the Preliminary Official Statement, the Official Statement, and the blue sky survey, as well as any delivery costs incurred in connection with the foregoing documents, (b) fees of consultants, (c) fees of the Rating Agency, (d) advertising expenses, (e) fees and expenses of the Co-Bond Counsel, (f) the fees and expenses of counsel to the Underwriter, to the extent not included in the Underwriting Fee, (g) the Underwriting Fee, (h) the fees and expenses of the Trustee, (i) the fees and expenses of counsel for the Trustee, (j) the fees and expenses of disclosure counsel, (k) the fees and expenses of the Bank and of the Bank’s counsel, (l) the fees and expenses of Issuer’s counsel, (m) any application or administrative fee of the Issuer; and the fees and disbursements of the Issuer’s financial advisor and any other experts or consultants retained by the Issuer, (n) the fees, if any, of Digital Assurance Certification, L.L.C., for a continuing disclosure undertaking compliance review, and (o) all other costs of issuance of the Bonds shall be paid by the Borrower from the proceeds of the Bonds or other revenues of the Borrower. The Borrower shall be solely responsible for and shall pay for any expenses incurred by the Issuer’s and the Borrower’s employees and representatives which are directly related to the offering and sale of the Bonds, including, but not limited to, meals, transportation, and lodging of those employees and representatives. The Issuer shall have no obligation to pay any fees, expenses or costs associated with or resulting from the issuance and delivery of the Bonds.

The Underwriter is required to pay fees to the California Debt and Investment Advisor Commission in connection with the Bond offering. Notwithstanding that such fees are solely the legal obligation of the Underwriter, the Borrower agrees to reimburse the Underwriter for such fees.

12. Use of Documents. The Borrower and the Issuer each hereby authorizes the Underwriter to use, in connection with the public offering and sale of the Bonds, this Purchase Agreement, the Preliminary Official Statement, the Official Statement, the Legal Documents, and the information contained herein and therein.

13. Qualification of Securities. The Borrower and the Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and to provide for the continuance of such qualification; provided, however, that the Borrower and the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

14. Notices. Any notice or other communication to be given to the Borrower and the Issuer, respectively, under this Purchase Agreement may be given by delivering the same in writing to (i) the Borrower at: 44 Montgomery Street, Suite 1300, San Francisco, California, 94104, Attention: Gregory Vilkin; (ii) the Issuer at: (a) City and County of San Francisco, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 316, San Francisco, California 94102, Attention: City Controller, (b) City and County of San Francisco, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 140, San Francisco, California 94102, Attention: City Treasurer, and (c) Office of the City Attorney, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 234, San Francisco, California 94102, Attention: Finance Team; and (iii) any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to Citigroup Global Markets Inc., 390 Greenwich St., 2nd Floor, New York, New York 10013, Attention: Short Term Manager.

15. Benefit. This Purchase Agreement is made solely for the benefit of the Borrower, the Issuer and the Underwriter (including their successors or assigns) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the Borrower and the Issuer contained in this Purchase Agreement and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of: (i) any investigation made by or on behalf of the Underwriter; (ii) delivery of and payment for the Bonds hereunder; or (iii) any termination of this Purchase Agreement.

16. City Contracting Requirements. The provisions set forth in Exhibit C attached hereto are incorporated herein by reference.

17. Governing Law. THIS PURCHASE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND FOR ALL PURPOSES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE WITHOUT REGARD TO CHOICE OF LAW RULES.

18. Counterparts. This Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original hereof.

[Signature Page Follows]

[Counterpart Signature to Purchase Agreement]

CITIGROUP GLOBAL MARKETS INC.

By: _____
Brad Edgar, Director

[Signatures continue on following page]

[Counterpart Signature to Purchase Agreement]

CITY AND COUNTY OF SAN FRANCISCO,
as Issuer

By: _____
Name: Olson Lee
Title: Director, Mayor's Office of Housing and
Community Development

Approved as to Form:
DENNIS J. HERRERA
City Attorney

By: _____
Kenneth Roux
Deputy City Attorney

[Signatures continue on following page]

[Counterpart Signature to Purchase Agreement]

Related/Mariposa Development Co., L.P.
a Delaware limited partnership

By: _____
Name: _____
Title: _____

EXHIBIT A

FORM OF OPINION OF COUNSEL TO THE BANK

EXHIBIT B

FORM OF CERTIFICATE OF THE BANK

EXHIBIT C

CITY AND COUNTY OF SAN FRANCISCO MANDATORY CONTRACTING PROVISIONS

The following provisions shall apply to this Purchase Agreement as if set forth in the body thereof and apply to the Borrower and the Underwriter, individually and not severally. Capitalized terms used but not defined in this Exhibit shall have the meanings given in this Purchase Agreement.

1. Conflict of Interest. Through its execution of this Purchase Agreement, Related/Mariposa Development Co., L.P., a Delaware limited partnership, and Citigroup Global Markets Inc. (each, a “Contractor”) acknowledges that it is familiar with the provision of Section 15.103 of the City of San Francisco’s (the “City”) Charter, Article III, Chapter 2 of City’s Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Purchase Agreement.

2. Proprietary or Confidential Information of City. Contractor understands and agrees that, in the performance of the work or services under this Purchase Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all information disclosed by City to Contractor shall be held in confidence and used only in performance of the Purchase Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent Contractor would use to protect its own proprietary data.

3. Local Business Enterprise Utilization; Liquidated Damages.

a. The LBE Ordinance. Contractor shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the “LBE Ordinance”), provided such amendments do not materially increase Contractor’s obligations or liabilities, or materially diminish Contractor’s rights, under this Purchase Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Purchase Agreement as though fully set forth in this section. Contractor’s willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Contractor’s obligations under this Purchase Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Purchase Agreement, to exercise any of the remedies provided for under this Purchase Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Purchase Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

b. **Enforcement.** If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Purchase Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Purchase Agreement, or 10% of the total amount of this Purchase Agreement, or \$1,000, whichever is greatest. The Director of the City's Contracts Monitoring Division or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of CMD") may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's LBE certification. The Director of CMD will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17. By entering into this Purchase Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the CMD shall be payable to City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City. Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Purchase Agreement, and shall make such records available for audit and inspection by the Director of CMD or the Controller upon request.

4. **Nondiscrimination; Penalties.**

a. **Contractor Shall Not Discriminate.** In the performance of this Purchase Agreement, Contractor agrees not to discriminate against any employee, City and County employee working with such Contractor or Subcontractor, applicant for employment with such Contractor or Subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. **Subcontracts.** Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all Subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Purchase Agreement.

c. **Nondiscrimination in Benefits.** Contractor does not as of the date of this Purchase Agreement and will not during the term of this Purchase Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified

above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

d. **Condition to Contract.** As a condition to this Purchase Agreement, Contractor shall execute the “Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits” form (Form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Contracts Monitoring Division (formerly ‘Human Rights Commission’).

e. **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Purchase Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Purchase Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Purchase Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

5. **MacBride Principles – Northern Ireland.** Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

6. **Tropical Hardwood and Virgin Redwood Ban.** Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges Contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

7. **Drug-Free Workplace Policy.** Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Purchase Agreement.

8. **Resource Conservation.** Chapter 5 of the San Francisco Environment Code (“Resource Conservation”) is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

9. **Compliance with Americans with Disabilities Act.** Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other

activities provided by a public entity to the public, whether directly or through an owner, must be accessible to the disabled public. Contractor shall provide the services specified in this Purchase Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Purchase Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Purchase Agreement.

10. Sunshine Ordinance. In accordance with San Francisco Administrative Code §67.24(e), contracts, Contractors' bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

11. Limitations on Contributions. Through execution of this Purchase Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any Subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.

12. Requiring Minimum Compensation for Covered Employees.

a. Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Sections 12P.5 and 12P.5.1 of Chapter 12P are incorporated herein by reference and made a part of this Purchase Agreement as though fully set forth. The text of the

MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of Contractor's obligations under the MCO is set forth in this Section. Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Contractor to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Contractor's obligation to ensure that any Subcontractors of any tier under this Purchase Agreement comply with the requirements of the MCO. If any Subcontractor under this Purchase Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Contractor.

c. Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Contractor shall maintain employee and payroll records as required by the MCO. If Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

e. The City is authorized to inspect Contractor's job sites and conduct interviews with employees and conduct audits of Contractor.

f. Contractor's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Purchase Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Purchase Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

h. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

i. If Contractor is exempt from the MCO when this Purchase Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Contractor later enters into an agreement or agreements that cause Contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Purchase Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed \$25,000 in the fiscal year.

13. Requiring Health Benefits for Covered Employees.

Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of section 12Q.5.1 of Chapter 12Q are incorporated by reference and made a part of this Purchase Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Purchase Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. City shall notify Contractor if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Purchase Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

d. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a

Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

e. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Contractor shall keep itself informed of the current requirements of the HCAO.

i. Contractor shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Contractor shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten business days to respond.

k. Contractor shall allow City to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

l. City may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City when it conducts such audits.

m. If Contractor is exempt from the HCAO when this Purchase Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City to be equal to or greater than \$75,000 in the fiscal year.

14. Prohibition on Political Activity with City Funds. In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Purchase Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and

provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Purchase Agreement, and (ii) prohibit Contractor from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider Contractor's use of profit as a violation of this section.

15. Preservative-treated Wood Containing Arsenic. Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Purchase Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

16. Compliance with Laws. Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Purchase Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

17. Protection of Private Information. Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Contractor agrees that any failure of Contractor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

18. Food Service Waste Reduction Requirements. Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Purchase Agreement as though fully set forth. This provision is a material term of this Purchase Agreement. By entering into this Purchase Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for

subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Purchase Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to comply with this provision.

19. Submitting False Claims; Monetary Penalties. Pursuant to San Francisco Administrative Code §21.35, any Contractor, Subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. A Contractor, Subcontractor or consultant will be deemed to have submitted a false claim to the City if the Contractor, Subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

20. Sugar-Sweetened Beverage Prohibition. Contractor agrees that it will not sell, provide, or otherwise distribute Sugar-Sweetened Beverages, as defined by San Francisco Administrative Code Chapter 101, as part of its performance of this Purchase Agreement.

EXHIBIT D

FORM OF BORROWER'S RULE 15c2-12 CERTIFICATE

\$ _____
City and County of San Francisco
Variable Rate
Multifamily Housing Revenue Bonds
(1601 Mariposa Apartments)
2017 Series B-1

\$ _____
City and County of San Francisco
Variable Rate
Multifamily Housing Revenue Bonds
(1601 Mariposa Apartments)
2017 Series B-2

\$ _____
City and County of San Francisco
Variable Rate
Multifamily Housing Revenue Bonds
(1601 Mariposa Apartments),
2017 Series B-3 (Taxable)

The undersigned hereby certifies and represents to Citigroup Global Markets Inc. (the "Underwriter"), that he/she is authorized to execute and deliver this certificate on behalf of Related/Mariposa Development Co., L.P., a Delaware limited partnership (the "Borrower"), and hereby further certify to the Underwriter as follows:

(a) This Certificate is delivered to enable the Underwriter to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 ("Rule 15c2-12") in connection with the issuance and sale of the above-captioned bonds (the "Bonds").

(b) In connection with the issuance and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated the date of this certificate, setting forth information concerning the Bonds and the Borrower (the "Preliminary Official Statement").

(c) The Preliminary Official Statement is deemed final within the meaning of Rule 15c2-12.

(e) The sections of the Preliminary Official Statement entitled "CONTINUING DISCLOSURE" and "APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT" describe the agreement the Borrower expects to make for the benefit of the Bondholders in the Continuing Disclosure Agreement, dated as of July 1, 2017, by and between the Borrower and U.S. Bank National Association, in its capacity as trustee and dissemination agent, by which the Borrower will undertake to provide continuing disclosure in accordance with Rule 15c2-12.

Dated: _____, 2017

[Signature Page to Borrower's Rule 15c2-12 Certificate]

IN WITNESS WHEREOF, I have hereunto set my hand this as of the date set forth above.

Related/Mariposa Development Co., L.P.,
a Delaware limited partnership

By: _____
Name: _____
Title: _____

EXHIBIT E

**FORM OF OPINION TO THE ISSUER OF THE
OFFICE OF THE CITY ATTORNEY**

_____, 2017

Board of Supervisors of the
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102-4689

Re: \$_____ City and County of San Francisco
Variable Rate Multifamily Housing Revenue Bonds
(1601 Mariposa Apartments), 2017 Series B

Ladies and Gentlemen:

This office has acted as counsel to the City and County of San Francisco (the "City") with respect to the execution and delivery of \$_____ aggregate principal amount of the City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B, consisting of three subseries, including the 2017 Series B-1, 2017 Series B-2, and the 2017 Series B-3 (Taxable) (collectively, the "Bonds"). In connection therewith, the undersigned has examined such matters of law and such documents, certificates and instruments as the undersigned deemed necessary for the purposes of this opinion, including, but not limited to:

- (i) Resolution _____ adopted by the Board of Supervisors of the City (the "Resolution");
- (ii) The Indenture of Trust, dated as of July 1, 2017 (the "Indenture"), by and between the City and U.S. Bank National Association, as trustee (the "Trustee");
- (iii) the Loan Agreement, dated as of July 1, 2017 (the "Loan Agreement"), by and between the City, the Trustee, and Related/Mariposa Development Co., L.P., a Delaware limited partnership, (the "Borrower");
- (iv) the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of July 1, 2017, by and between the City and the Borrower (the "Regulatory Agreement");
- (v) the Bond Purchase Agreement, dated _____, 2017, by and between the City, Borrower, and Citigroup Global Markets Inc., as the underwriter for the Bonds (the "Purchase Contract") and
- (vi) the Bond Intercreditor Agreement, dated as of July 1, 2017, by and among the Trustee, the Issuer and Bank of America, N.A (the "Bond Intercreditor Agreement").

The Indenture, the Loan Agreement, the Regulatory Agreement, the Bond Intercreditor Agreement and the Purchase Contract are collectively referred to herein as the "City Documents." Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Indenture.

In connection with our role as counsel to the City, we have examined the Charter, the City Documents, the Preliminary Official Statement, dated _____, 2017 (the "Preliminary Official Statement"), the final Official Statement, dated as of _____, 2017 (the "Official Statement"), and such other records, documents, opinions and matters to the extent we deemed necessary to provide the opinions and conclusions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We disclaim any obligation to update this opinion. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the City. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and of the legal conclusions contained in the opinions referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the City Documents and the Bonds and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against cities and counties in the State of California. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents.

Subject to the foregoing and the limitations expressed below, I am of the opinion that:

1. The City is a duly organized charter city and county and a municipal corporation under and by virtue of its Charter and the Constitution and laws of the State of California, with full legal right, power and authority to adopt the Resolutions, enter into and perform its obligations under the City Documents and execute and deliver the Bonds.
2. The Resolution was duly adopted at meetings of the Board of Supervisors of the City which were called and held pursuant to law and with all public notice required by law at which a quorum was present and acting throughout, and the Resolution is in full force and effect and has not been modified, amended or rescinded.
3. The City Documents have been duly authorized and executed by the City and each is valid and binding upon and enforceable against the City in accordance with its respective terms.

4. The execution and delivery by the City of the City Documents and compliance with the provisions thereof does not conflict with or constitute on the part of the City a material breach of or default under any existing law, regulation, court order or consent decree to which the City is subject or, to the best of my knowledge after due inquiry, any material agreement or instrument to which the City is a party or by which the City is bound, the effect of which would be to materially and adversely affect the ability of the City to enter into and perform its obligations under the City Documents.

5. No consent, authorization or approval of or filing or registration with, any governmental or regulatory officer or body not already obtained or not obtainable in due course by the City is required for the execution and delivery by the City of and the performance by the City of its obligations under the City Documents.

6. Except as disclosed in the Preliminary Official Statement or the Official Statement, to the best of my knowledge, no litigation, action, suit or proceeding is pending against the City (with formal written process having been properly served on or noticed to the City) (a) restraining or enjoining the execution or delivery of the Bonds, the City Documents or the pledge of Revenues pursuant to the Indenture or (b) in any way contesting or affecting the validity or enforceability of the Bonds or the City Documents.

This letter is furnished solely for the benefit of the addressee. This letter is not to be circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by anyone other than the addressee.

Very truly yours,

DENNIS J. HERRERA
City Attorney

Kenneth Roux
Deputy City Attorney

EXHIBIT F

FORM OF ISSUER'S CERTIFICATE

CERTIFICATE OF THE CITY

July __, 2017

The undersigned Director of the Mayor's Office of Housing and Community Development of the City and County of San Francisco, California (the "City"), does hereby certify on behalf of the City with respect to the Bonds (defined below) as follows:

1. The undersigned is the duly appointed, qualified and acting Director of the Mayor's Office of Housing and Community Development and, as such, is familiar with the facts herein certified and is authorized and qualified to certify the same on behalf of the City.
2. The City has duly authorized the issuance of up to \$_____ aggregate principal amount of City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B (the "Bonds"), which is comprised of 3 sub-series: 2017 Series B-1 (the "2017B-1 Bonds"), 2017 Series B-2 (the "2017B-2 Bonds," and together with the 2017B-1 Bonds, the "Tax-Exempt Bonds"), and 2017 Series B-3 (Taxable) (the "2017B-3 Bonds").
3. The City has the full legal right, power and authority to execute, deliver and perform its obligations under each of the following agreements (collectively referred to herein as the "City Documents"):
 - (a) the Indenture of Trust, dated as of July 1, 2017 (the "Indenture"), by and between the City and U.S. Bank National Association, as trustee (the "Trustee");
 - (b) the Loan Agreement, dated as of July 1, 2017 (the "Loan Agreement"), among the City, Trustee, and Related/Mariposa Development Co., L.P., a Delaware limited partnership (the "Borrower");
 - (c) the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of July 1, 2017, between the City and the Borrower;
 - (d) the Bond Purchase Agreement, dated _____, 2017, by and between the City, Borrower, and Citigroup Global Markets Inc., relating to the 2017B-1 Bonds, the 2017B-2 Bonds and the 2017B-3 Bonds;
 - (e) the Certificate of Arbitrage, dated the date hereof, executed by the City and the Borrower;

- (f) the Bond Intercreditor Agreement, dated as of July 1, 2017, by and among the Trustee, the Issuer and Bank of America, N.A (the "Bond Intercreditor Agreement"); and
 - (g) each of the other documents, agreements, and certificates to which it is a party in connection with the Project (as defined in the Indenture) and the Bonds.
- 4. Each of the City Documents constitutes a legal, valid and binding agreement of the City, each enforceable against the City in accordance with its terms, except as enforceability thereof may be limited by the application of laws affecting bankruptcy, insolvency, moratorium, or similar laws affecting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion in certain cases and the limitations on legal remedies against charter cities and counties.
- 5. All of the representations and warranties of the City made in the City Documents are true and correct in all material respects as of the date hereof.
- 6. The City is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or to which it or any of its property is otherwise subject which breach or default would have a material and adverse impact on the City's ability to perform its obligations under the City Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, which would have a material and adverse impact on the City's ability to perform its obligations under the City Documents.
- 7. The City has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied pursuant to the City Documents at or prior to the date hereof.
- 8. Except as may be required under blue sky or other securities laws of any state, the issuance by the City of the Bonds and the performance by the City under each of the City Documents will not require the consent, approval, authorization or other order of, the giving of notice to, the registration or filing with, the certification by, or the taking of any other action in respect of, any federal, state or other governmental or regulatory authority or agency. The City has any and all necessary permits, consents and licenses currently obtainable to perform its obligations under the City Documents and has no reason to believe that it will not timely obtain the permits, licenses and consents not currently obtainable.
- 9. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending with service of process having been accomplished, or, to the best of my knowledge threatened, against the City:
 - i. affecting the existence of the City or the titles of its officers to their respective offices;

- ii. seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the execution and delivery of the City Documents;
 - iii. in any way materially adversely affecting or questioning the territorial jurisdiction of the City;
 - iv. in any way materially adversely affecting or questioning the validity or enforceability of the Bonds, or any proceedings of the City taken with respect to the City Documents;
 - v. in any way materially adversely affecting or questioning the exclusion of interest on the Tax-Exempt Bonds from gross income for purposes of federal income taxation; or
 - vi. in any way materially adversely affecting or questioning the power of the City to carry out the transactions on its part contemplated by the City Documents.
10. The information contained under the captions "THE CITY AND COUNTY OF SAN FRANCISCO" and "ABSENCE OF MATERIAL LITIGATION – The City" in the Preliminary Official Statement, as of its date, and the Official Statement, as of its date and as of the date hereof, did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Capitalized terms used in this Certificate of the City and not otherwise defined herein shall have the meanings given to such terms as set forth in the Indenture.

[Remainder of Page Intentionally Left Blank.]

[SIGNATURE PAGE TO CERTIFICATE OF THE CITY – 1601 MARIPOSA APARTMENTS]

IN WITNESS WHEREOF, the undersigned has hereunto set his signature as of the date first written above.

CITY AND COUNTY OF SAN FRANCISCO

By: _____

Olson Lee

Director

Mayor's Office of Housing and
Community Development

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2017

NEW ISSUE – BOOK ENTRY ONLY

RATINGS:

See “RATINGS” herein

In the separate opinions of Jones Hall, A Professional Law Corporation, San Francisco, California, and Curls Bartling P.C., Oakland, California, Co-Bond Counsel, subject, however, to certain qualifications described herein, under existing law, the interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes, except during any period while a Tax-Exempt Bond is held by a “substantial user” of the facilities financed by the Tax-Exempt Bonds or by a “related person” within the meaning of Section 147(a) of the Internal Revenue Code of 1986, and interest on the Tax-Exempt Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Co-Bond Counsel, interest on the Bonds is, under existing law, exempt from personal income taxation imposed by the State of California. See “TAX MATTERS” herein.

CITY AND COUNTY OF SAN FRANCISCO
VARIABLE RATE MULTIFAMILY HOUSING REVENUE BONDS
(1601 MARIPOSA APARTMENTS)
2017 SERIES B

[\$Series B-1 Par]*
2017 Series B-1
(Weekly Variable Rate)
CUSIP[†]: _____

[\$Series B-2 Par]*
2017 Series B-2
(Weekly Variable Rate)
CUSIP[†]: _____

[\$Series B-3 Par]*
2017 Series B-3
(Taxable Weekly Variable Rate)
CUSIP[†]: _____

Dated: Date of Delivery**Price: 100%****Due: July 1, 20__**

The City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments) 2017 Series B-1 (the “Series B-1 Bonds”), 2017 Series B-2 (the “Series B-2 Bonds,” and together with the Series B-1 Bonds, the “Tax-Exempt Bonds”), and 2017 Series B-3 (Taxable) (the “Series B-3 Bonds” or the “Taxable Bonds,” and together with the Tax-Exempt Bonds, the “Bonds”) are being issued by the City and County of San Francisco (the “City”). The Bonds are being issued by the City pursuant to an Indenture of Trust, dated as of July 1, 2017 (the “Indenture”), between the City and U.S. Bank National Association, as trustee (the “Trustee”). The proceeds of the Bonds will be loaned (the “Mortgage Loan”) to [Related/Mariposa Development Co., L.P.] (the “Borrower”), pursuant to a Loan Agreement, dated as of July 1, 2017 (the “Loan Agreement”), among the City, the Borrower and the Trustee. The Mortgage Loan will provide financing for a mixed-income multifamily rental housing development consisting of 238 market rate residential apartments (the “Market Rate Component”), 60 below market rate residential apartments plus one superintendent unit (the “Affordable Component”) and 9,439 square feet of commercial space, to be located at 1601 and 1677 Mariposa Street, 485-497 Carolina Street, 395 and 420 Wisconsin Street, and 210 Arkansas Street in San Francisco, California (as further described under “THE PROJECT AND THE BORROWER” herein, the “Project”). The Borrower will execute the [Construction Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing] (the “Deed of Trust”) over the Project, as grantor for the benefit of the Trustee, to secure the obligations of the Borrower to the Trustee under the Loan Agreement. The Borrower will also grant subordinate deeds of trust on the Project to the Bank, as Administrative Agent (as such terms are defined herein) and STRS Ohio CA Real Estate Investments II, LLC, an affiliate of the State Teachers Retirement System of Ohio (“STRS”), as described herein. See “SECURITY FOR THE BONDS – Deed of Trust and Bond Intercreditor Agreement.”

The Bonds initially will bear interest at a Weekly Rate. The Weekly Rate for the Bonds will be determined initially by Citigroup Global Markets Inc., which will serve as the Underwriter of and Remarketing Agent for the Bonds. Interest on the Bonds will be payable on the first Business Day of each month, commencing _____, 2017. The Bonds are subject to Conversion to other interest rate modes and are subject to mandatory tender for purchase upon Conversion, all as described herein. The Bonds are subject to acceleration of maturity, optional and mandatory redemption, and optional and mandatory tender, at the prices and under the circumstances described herein.

The Bonds will be issued as fully registered bonds, initially in Authorized Denominations of \$100,000 or multiples of \$5,000 in excess thereof. The Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC will act as initial securities depository for the Bonds. The principal and Purchase Price of and interest on the Bonds will be paid to DTC, which in turn is required to remit such principal, Purchase Price or interest to participants in DTC for subsequent disbursement to the beneficial owners of the Bonds. DTC acts as agent solely for its participants and not for the beneficial owners of the Bonds, the City or the Underwriter.

The Bonds of each Subseries will be special, limited obligations of the City payable solely from, and secured by a lien on, the Revenues (as defined under the Indenture) relating to such Subseries of Bonds. Pursuant to the Indenture, the City will assign the Revenues and certain specified rights and amounts to the Trustee. The Revenues relating to the Series B-1 Bonds will consist primarily of amounts to be drawn by the Trustee under an irrevocable direct pay letter of credit supporting the Series B-1 Bonds (the “Series B-1 Letter of Credit”). The Revenues relating to the Series B-2 Bonds and the Series B-3 Bonds will consist primarily of amounts to be drawn by the Trustee under an irrevocable direct pay letter of credit supporting the Series B-2 Bonds and the Series B-3 Bonds (the “Series B-2 & B-3 Letter of Credit,” and together with the Series B-1 Letter of Credit, the “Letters of Credit”). The Letters of Credit will be issued by Bank of America, N.A. (the “Bank”).

* Preliminary, subject to change.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard and Poor’s Financial Services LLC on behalf of the American Bankers Association. CUSIP numbers are provided for convenience of reference only. Neither the City nor the Underwriter takes any responsibility for the accuracy of such numbers.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

[BANK LOGO]

Unless extended in accordance with their terms, the [Series B-1 Letter of Credit and the Series B-2 & B-3 Letter of Credit will terminate automatically on the earliest to occur of _____ and _____, respectively,] or certain other events described in each Letter of Credit. The forms of the Letters of Credit are attached hereto as Appendix B. Each Letter of Credit may be replaced with a Substitute Letter of Credit or an Alternate Credit Facility on certain conditions described herein. A Subseries of Bonds will be subject to mandatory tender if the expiration date of the related Letter of Credit is not extended, or if a Substitute Letter of Credit or Alternate Credit Facility is not provided as described herein.

The principal purpose of this Official Statement is to provide certain information on the terms of the Bonds, the Letters of Credit supporting the Bonds and the Bank. Certain, limited information with respect to the Borrower and the Project has been included in this Official Statement; however, the Borrower has not previously engaged in any other business operation and has no historical earnings and has no assets other than its interest in the Project. Accordingly, investors should make any decision with respect to the purchase, holding or tender of the Bonds based solely upon the credit of the Bank. The ratings assigned to the Bonds are based on the creditworthiness of the Bank. See "RATINGS" herein. Prospective purchasers of the Bonds are advised to make a full evaluation of the financial status of the Bank by reviewing the financial statements of the Bank.

This Official Statement provides certain information concerning the Bonds only while the Bonds bear interest at the Daily Rate or the Weekly Rate. Owners and prospective purchasers of Bonds should not rely on this Official Statement for information concerning their Bonds on and after the Conversion of the Bonds to a mode other than the Daily Rate mode or the Weekly Rate mode, but should look to information concerning their Bonds made available in connection with the remarketing of the Bonds related to such Conversion.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security for or the terms of the Bonds. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

THE BONDS ARE LIMITED OBLIGATIONS OF THE CITY, AND EACH SUBSERIES OF BONDS IS PAYABLE SOLELY FROM THE REVENUES RELATING TO SUCH BONDS (AS DEFINED IN THE INDENTURE AND CONSISTING PRIMARILY OF AMOUNTS DRAWN UNDER THE RELATED LETTER OF CREDIT), THE TRUST ESTATE AND OTHER FUNDS AND MONEYS PLEDGED AND ASSIGNED UNDER THE INDENTURE. NONE OF THE CITY (EXCEPT TO THE LIMITED EXTENT CERTAIN PAYMENTS AND RIGHTS HAVE BEEN ASSIGNED BY THE CITY UNDER THE INDENTURE), THE STATE OF CALIFORNIA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF NOR ANY PUBLIC AGENCY SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OR PURCHASE PRICE OF, OR PREMIUM (IF ANY) OR INTEREST ON, THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER, AND NONE OF THE BONDS OR ANY OF THE CITY'S AGREEMENTS OR OBLIGATIONS WITH RESPECT THERETO SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE CITY, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, PURCHASE PRICE OF OR INTEREST ON THE BONDS, NOR IS THE STATE, THE CITY, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE, IN ANY MANNER OBLIGATED TO MAKE ANY APPROPRIATION FOR SUCH PAYMENT.

The Bonds are offered when, as and if issued and received by the purchasers thereof, and subject to the separate opinions of Jones Hall, A Professional Law Corporation, San Francisco, California, and Curls Bartling P.C., Oakland, California, Co-Bond Counsel, as to the validity of the Bonds and tax-exempt status of the Tax-Exempt Bonds, and the approval of certain other matters for the City. Certain legal matters will be passed upon by Hawkins Delafield & Wood LLP, San Francisco, California, Disclosure Counsel to the City. Certain legal matters will be passed upon by Eichner Norris & Neumann PLLC, Washington, D.C., Counsel to the Underwriter, by Levitt & Boccio, LLP, New York, New York, Gibson, Dunn & Crutcher LLP, Los Angeles, California, and Cox Castle & Nicholson LLP, San Francisco, California, Co-Counsel to the Borrower, and by Schiff Hardin LLP, New York, New York and Chapman and Cutler LLP, Chicago, Illinois, Co-Counsel to the Bank. It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company on or about July __, 2017.

Citigroup

Dated: July __, 2017

The information in this Official Statement set forth under the heading "THE CITY AND COUNTY OF SAN FRANCISCO" and "ABSENCE OF MATERIAL LITIGATION – The City" has been furnished by the City. The information set forth under the headings "SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENTS AND THE LETTERS OF CREDIT," "THE BANK" and Appendix B has been furnished by the Bank. The information under the heading "UNDERWRITING" has been furnished by the Underwriter. The information under the heading "MUNICIPAL ADVISOR" has been furnished by the Municipal Advisor. The information set forth in Appendix C has been furnished by DTC. All other information in this Official Statement has been obtained from the Borrower or sources that the Borrower believes to be reliable.

No dealer, broker, salesperson, or other person has been authorized by the City or the Underwriter to give any information or to make any representations other than those made herein. Any such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinions herein are subject to change without notice, and neither the delivery of this Official Statement nor the sale of any of the Bonds shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any state securities commission has passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is unlawful.

All inquiries relating to this Official Statement and the offerings contemplated herein should be directed to the Underwriter. Prospective investors may obtain additional information from the Underwriter which they may reasonably require in connection with the decision to purchase any of the Bonds from the Underwriter.

The price at which the Bonds are offered to the public may vary from the initial reoffering price on the cover of this Official Statement. In addition, the Underwriter may allow concessions or discounts from the initial offering price of the Bonds offered by it to dealers and others. In connection with the offering of the Bonds, the Underwriter may effect transactions that stabilize or maintain the market price of the Bonds underwritten by it at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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OFFICIAL STATEMENT

CITY AND COUNTY OF SAN FRANCISCO VARIABLE RATE MULTIFAMILY HOUSING REVENUE BONDS (1601 MARIPOSA APARTMENTS) 2017 SERIES B

**[\$[Series B-1 Par]*
2017 Series B-1
(Weekly Variable Rate)**

**[\$[Series B-1 Par]*
2017 Series B-2
(Weekly Variable Rate)**

**[\$[Series B-3 Par]*
2017 Series B-3
(Taxable Weekly Variable Rate)**

INTRODUCTION

General

The following introductory statement is subject in all respects to more complete information contained elsewhere in this Official Statement. The order and placement of materials in this Official Statement, which includes the cover page and appendices hereto, are not to be deemed to be a determination of relevance, materiality or relative importance, and this Official Statement, including the cover page and appendices hereto, must be considered in its entirety. Certain capitalized terms used in this Official Statement are defined herein and in the appendices hereto. All capitalized terms used in this Official Statement that are not otherwise defined herein shall have the meanings ascribed to them in the Indenture, the Loan Agreement, the Regulatory Agreement, the Reimbursement Agreements, the Letters of Credit, the Deed of Trust and the Bond Intercreditor Agreement (as each such term is hereinafter defined).

This Official Statement, including the cover and the attached appendices, sets forth certain information in connection with the sale by the City and County of San Francisco (the "City") of its Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments) 2017 Series B-1 (the "Series B-1 Bonds"), 2017 Series B-2 (the "Series B-2 Bonds," and together with the Series B-1 Bonds, the "Tax-Exempt Bonds"), and 2017 Series B-3 (Taxable) (the "Series B-3 Bonds" or the "Taxable Bonds," and together with the Tax-Exempt Bonds, the "Bonds").

The Series B-1 Bonds are offered solely on the basis of an irrevocable direct pay letter of credit (the "Series B-1 Letter of Credit") supporting the Series B-1 Bonds, to be issued by Bank of America, N.A. (the "Bank"), and not on the basis of the credit of the Borrower (as defined herein), the value, feasibility or cash flow of the Project (as defined herein) or any other security. The Series B-2 Bonds and the Series B-3 Bonds are offered solely on the basis of an irrevocable direct pay letter of credit (the "Series B-2 & B-3 Letter of Credit," and together with the Series B-1 Letter of Credit, the "Letters of Credit") supporting the Series B-2 Bonds and the Series B-3 Bonds, to be issued by the Bank, and not on the basis of the credit of the Borrower, the value, feasibility or cash flow of the Project or any other security.

* Preliminary, subject to change.

Certain limited information with respect to [Related/Mariposa Development Co., L.P.] (the “Borrower”) and the Project (as defined herein) has been included in this Official Statement; however, the Borrower has not previously engaged in any other business operation and has no historical earnings and has no assets other than its interest in the Project. Accordingly, investors should make any decision with respect to the purchase, holding or tender of the Bonds based solely upon the credit of the Bank. While the Indenture and the Loan Agreement obligate the Borrower to pay principal of and interest on the Bonds, in the event principal or interest of a Subseries of Bonds is not paid from amounts drawn upon a related Letter of Credit, the Borrower may not have sufficient funds available for such purposes and the collateral and security for the Bonds may not be sufficient to provide for full payment of such Bonds. See “SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENTS AND THE LETTERS OF CREDIT,” “THE BANK,” “CERTAIN BONDOWNERS’ RISKS – General” and “– The Letters of Credit and the Bank.”

Authority for Issuance

The Bonds will be issued pursuant to the Charter of the City, Article 1 of Chapter 43 of the Administrative Code of the City and County of San Francisco Municipal Code, and Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, as it may from time to time hereafter be amended or supplemented (collectively, the “Act”). The issuance of the Bonds has been authorized by Resolution No. _____ adopted by the Board of Supervisors of the City on _____, and duly approved by the Mayor of the City on _____.

The Bonds are being issued pursuant to an Indenture of Trust, dated as of July 1, 2017 (the “Indenture”), between the City and U.S. Bank National Association, as trustee (the “Trustee”). The proceeds of the Bonds will be loaned (the “Mortgage Loan”) by the City to [Related/Mariposa Development Co., L.P.] (the “Borrower”), pursuant to a Loan Agreement, dated as of July 1, 2017 (the “Loan Agreement”), among the City, the Borrower and the Trustee, to provide financing for a mixed-income multifamily rental housing development consisting of 238 market rate residential apartments (the “Market Rate Component”), 60 below market rate residential apartments plus one superintendent unit (the “Affordable Component”) and 9,439 square feet of commercial space, to be located at 1601 and 1677 Mariposa Street, 485-497 Carolina Street, 395 and 420 Wisconsin Street, and 210 Arkansas Street in San Francisco, California (as further described under “THE PROJECT AND THE BORROWER” herein, the “Project”). The Borrower’s obligations under the Loan Agreement are evidenced by a note (the “Mortgage Note”).

Overview of the Transaction

Letters of Credit. Concurrently with and as a condition to the issuance of the Series B-1 Bonds, the Borrower will cause to be delivered to the Trustee the Series B-1 Letter of Credit issued by the Bank pursuant to a [Letter of Credit Reimbursement and Security Agreement] (the “Series B-1 Reimbursement Agreement”), between the Bank and the Borrower. Concurrently with and as a condition to the issuance of the Series B-2 Bonds and the Series B-3 Bonds, the Borrower will cause to be delivered to the Trustee the Series B-2 & B-3 Letter of Credit issued by the Bank pursuant to a Reimbursement Agreement (the “Series B-2 & B-3 Reimbursement Agreement,” and together with the Series B-1 Reimbursement Agreement, the “Reimbursement Agreements”), between the Bank and The Board of the State Teachers Retirement System of Ohio (“STRS”). Unless extended in accordance with their terms, the Letters of Credit will terminate automatically on the earliest to occur of the date[s] set forth on the cover hereof, or certain other events described therein. The forms of the Letters of Credit are attached hereto as Appendix B. See also “SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENTS AND THE LETTERS OF CREDIT” herein. Each Letter of Credit may, in certain circumstances, be

replaced by another letter of credit (a "Substitute Letter of Credit") or another credit facility (an "Alternate Credit Facility"). See "THE INDENTURE – Substitute Letter of Credit" and "– Alternate Credit Facility" in Appendix A hereto for a description of the conditions to and procedures for providing a Substitute Letter of Credit or Alternate Credit Facility. A Subseries of Bonds will be subject to mandatory tender for purchase upon the delivery of a Substitute Letter of Credit or Alternate Credit Facility to support such Bonds. See "THE BONDS – Mandatory Tender on Substitution of Letter of Credit."

Deeds of Trust. The Borrower will execute a [Construction Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing] (the "Deed of Trust") over the Project. The Deed of Trust will be granted for the benefit of the Trustee to secure the Borrower's obligations under the Loan Agreement.

The Borrower will also execute a [Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing] (the "Credit Provider Deed of Trust"), to be granted for the benefit of Bank of America, N.A., in its capacity as Administrative Agent for the Credit Providers, to secure the Borrower's obligations under the Series B-1 Reimbursement Agreement and STRS' obligations under the Series B-2 & B-3 Reimbursement Agreement. The Credit Provider Deed of Trust will be subordinate to the Deed of Trust; however, the Trustee's ability to pursue remedies against the Borrower and the Project after an Event of Default under the Indenture is subject to the Bond Intercreditor Agreement (defined below).

[Pursuant to the _____ Agreement, the Borrower agrees to reimburse STRS in full for payments made by STRS to the Bank in connection with the Series B-2 & B-3 Letter of Credit and the Series B-2 & B-3 Reimbursement Agreement. The Borrower's obligations under the _____ Agreement will be secured by a [Deed of Trust] (the "STRS Deed of Trust") over the Project for the benefit of STRS, subordinate to the Deed of Trust and the Credit Provider Deed of Trust.]

See "SECURITY FOR THE BONDS – Deed of Trust and Bond Intercreditor Agreement."

Bond Intercreditor Agreement. The City, the Trustee and the Bank will enter into an Intercreditor Agreement, dated as of July 1, 2017 (the "Bond Intercreditor Agreement"), for the purpose of addressing, among other matters, the intercreditor relationship between the Trustee and the Bank, as issuer of the Series B-1 Letter of Credit and as issuer of the Series B-2 & B-3 Letter of Credit, upon the occurrence of an Event of Default under the Indenture or the Reimbursement Agreements, the Letters of Credit, and all other documents evidencing, securing or guarantying the obligations of the Borrower to the Bank under the Reimbursement Agreements (collectively, the "Bank Documents"). See "SECURITY FOR THE BONDS – Deed of Trust and Bond Intercreditor Agreement."

Guaranty. Under the terms of a Guaranty Agreement (as amended or supplemented from time to time, the "Guaranty"), to be executed and delivered by The Related Companies, L.P. (the "Guarantor") and delivered to the Bank as Administrative Agent, the Guarantor has agreed to guarantee [the due performance and completion, and prompt payment of interest and operating deficits, and has agreed to a limited guarantee of principal payments under the Reimbursement Agreements.]

Regulatory Agreement. The Borrower is required to operate the Project in compliance with a regulatory agreement and declaration of restrictive covenants (the "Regulatory Agreement"). The Regulatory Agreement contains certain representations, warranties and covenants concerning the operation of the Project. Under the Regulatory Agreement, the Borrower is required, among other things, to cause a portion of the completed residential units in the Project constituting the Affordable Component to be occupied by individuals whose income does not exceed certain limits specified in the Regulatory Agreement, as further provided in the Regulatory Agreement. A failure to comply with certain of these

requirements could result in the loss of the federal tax exemption on the Tax-Exempt Bonds retroactive to Bond Closing. See "TAX MATTERS" and "THE PROJECT AND THE BORROWER – The Regulatory Agreement" herein and "THE REGULATORY AGREEMENT" in Appendix A hereto.

Remarketing Agreement. Pursuant to a Remarketing Agreement dated as of July 1, 2017 (the "Remarketing Agreement"), between the Borrower and Citigroup Global Markets Inc. acting as the initial Remarketing Agent, the Remarketing Agent has agreed to use its best efforts to remarket the Bonds which the Bondholders thereof have tendered for purchase or are required to tender for purchase pursuant to the Indenture. See "THE BONDS – Remarketing Agent."

Limited Obligations

THE BONDS ARE LIMITED OBLIGATIONS OF THE CITY, AND EACH SUBSERIES OF BONDS IS PAYABLE SOLELY FROM THE REVENUES RELATING TO SUCH BONDS (AS DEFINED IN THE INDENTURE AND CONSISTING PRIMARILY OF AMOUNTS DRAWN UNDER THE RELATED LETTER OF CREDIT), THE TRUST ESTATE AND OTHER FUNDS AND MONEYS PLEDGED AND ASSIGNED UNDER THE INDENTURE. NONE OF THE CITY (EXCEPT TO THE LIMITED EXTENT CERTAIN PAYMENTS AND RIGHTS HAVE BEEN ASSIGNED BY THE CITY UNDER THE INDENTURE), THE STATE OF CALIFORNIA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF NOR ANY PUBLIC AGENCY SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OR PURCHASE PRICE OF, OR PREMIUM (IF ANY) OR INTEREST ON, THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER, AND NONE OF THE BONDS OR ANY OF THE CITY'S AGREEMENTS OR OBLIGATIONS WITH RESPECT THERETO SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE CITY, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, PURCHASE PRICE OF OR INTEREST ON THE BONDS, NOR IS THE STATE, THE CITY, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE, IN ANY MANNER OBLIGATED TO MAKE ANY APPROPRIATION FOR SUCH PAYMENT.

Other Matters

Included in this Official Statement is information concerning the City, the Letters of Credit, the Bank, the Borrower, the Project, DTC and the sources of payment for the Bonds, together with summaries of the terms of the Bonds and certain provisions of the Indenture, the Letters of Credit, the Reimbursement Agreements, the Loan Agreement, the Regulatory Agreement, the Deed of Trust, the Bond Intercreditor Agreement, and certain documents related thereto. All references herein to agreements or documents are qualified in their entirety by references to the definitive forms thereof, copies of which are available for inspection at the corporate trust office of the Trustee at _____.

This Official Statement provides certain information concerning the Bonds only while the Bonds bear interest at the Daily Rate or the Weekly Rate. Owners and prospective purchasers of Bonds should not rely on this Official Statement for information concerning their Bonds on and after the Conversion of the Bonds to a mode other than the Daily Rate mode or the Weekly Rate mode, but should look to information concerning their Bonds made available in connection with the remarketing of the Bonds related to such Conversion.

THE BONDS

General Description of the Bonds

The Bonds will be issued in Authorized Denominations of \$100,000 or multiples of \$5,000 in excess thereof. The Bonds will be dated the date of their initial issuance and delivery and will mature on the maturity date specified on the cover hereof. The Bonds will bear interest payable on the first Business Day of each month, commencing _____, 2017, and on certain other dates as provided in the Indenture (each, an "Interest Payment Date") at the rate per annum determined from time to time as provided in the Indenture. Each Bond will bear interest from the date to which interest has been paid next preceding the date of its registration unless (i) a Bond is registered as of an Interest Payment Date for which interest has been paid or after the Record Date with respect to an Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (ii) a Bond is registered on or before the Record Date for the first Interest Payment Date, in which event it will bear interest from the date of the first authentication and delivery of the Bonds.

The Bonds will be issued in fully registered form only and, when initially issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive physical certificates representing their beneficial ownership interests in the Bonds purchased. Payments of principal, premium, if any, interest on and Purchase Price of the Bonds will be paid by the Trustee to DTC, which is obligated in turn to remit such principal, premium, if any, interest or Purchase Price to its DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. See Appendix C herein.

Determination of Interest Rate

The initial interest rate determination method in effect with respect to each Subseries of the Bonds will be a Weekly Rate. During any Weekly Rate Period or Daily Rate Period, interest on the related Subseries of Bonds will be computed on the basis of a 365- or 366-day year for the actual number of days elapsed. Bonds must be in book-entry form in order to bear interest at Daily Rates. Each Subseries of Bonds may bear interest at a different mode from the other Subseries of Bonds; provided, however, that Bonds within each Subseries will bear interest at the same mode.

Unless the interest rate on the Bonds is converted to an Alternate Rate after notice to the Bondholders in accordance with the Indenture, the Bonds will continue to bear interest at the interest rate determination method then in effect.

Weekly Rate. The Remarketing Agent will set the Weekly Rate at or prior to 4:00 p.m., New York City time, on any Weekly Rate Determination Date. The Weekly Rate for each Weekly Rate Period will be the minimum rate of interest that, in the opinion of the Remarketing Agent, would be necessary to sell the Bonds on such date in a secondary market transaction at a price equal to the principal amount thereof plus accrued interest, if any; provided, however, that the rate so determined will not exceed the Maximum Interest Rate. If the Remarketing Agent fails to set a Weekly Rate on any Weekly Rate Determination Date, the then existing Weekly Rate will continue until a new Weekly Rate is set, for a period of up to four (4) weeks. Thereafter, the Weekly Rate will be the Maximum Rate for so long as the Remarketing Agent continues to fail to set a Weekly Rate. Notwithstanding anything else in the Indenture to the contrary, the Weekly Rate for a particular Subseries will be the Maximum Rate commencing on the Weekly Rate Period following any day on which the Bank has failed to honor a properly presented and conforming draw on the related Letter of Credit for such Subseries for so long as such failure continues; the Remarketing Agent will not set rates in this circumstance.

Daily Rate. The Remarketing Agent will determine the Daily Rate by 10:00 am, New York City time, on each Business Day. Each Daily Rate will be the minimum rate of interest that, in the opinion of the Remarketing Agent, would be necessary to sell the Bonds on such date in a secondary market transaction at a price equal to the principal amount thereof plus accrued interest, if any; provided, however, that the rate so determined will not exceed the Maximum Interest Rate. The Daily Rate for any date that is not a Business Day will be the rate established for the next preceding Business Day. The Daily Rate for any date on which the Remarketing Agent fails to set a Daily Rate will be the rate established for the next preceding Business Day, and such rate will continue to be the Daily Rate until a new Daily Rate is set, for a period of up to four (4) weeks. Thereafter, the Daily Rate will be the Maximum Rate for so long as the Remarketing Agent continues to fail to set a Daily Rate. Notwithstanding anything else in the Indenture to the contrary, the Daily Rate for a particular Subseries will be the Maximum Rate commencing on the Business Day following any day on which the Bank has failed to honor a properly presented and conforming draw on the related Letter of Credit for such Subseries for so long as such failure continues; the Remarketing Agent will not set rates in this circumstance. As long as interest on the Bonds is at a Daily Rate, no new Daily Rate will become effective within one Business Day prior to an Interest Payment Date.

Computations Binding. The computation of the Daily Rate and the Weekly Rate by the Remarketing Agent will (in the absence of manifest error) be conclusive and binding on the Borrower, the Registered Owners and beneficial owners of the Bonds, the City, the Trustee and the Credit Provider for each Subseries of Bonds.

Conversion to Alternate Rate

The rate of interest on one or more whole Subseries of the Bonds may be converted (i) to a Variable Rate from a Flexible Rate, Term Rate, Index Rate or other Variable Rate, (ii) to a Flexible Rate from a Variable Rate, Term Rate, Index Rate or another Flexible Rate, (iii) to a Term Rate from a Variable Rate, Flexible Rate, Index Rate or another Term Rate, (iv) to an Index Rate from a Variable Rate, Fixed Rate or Term Rate, or (v) to a Fixed Rate from a Variable Rate, Flexible Rate, Term Rate or Index Rate, all in accordance with the procedures set forth in the Indenture. The rate of interest may be established at a Weekly Rate from a Daily Rate or at a Daily Rate from a Weekly Rate on any Interest Payment Date pursuant to the procedures set forth in the Indenture. A Conversion from one Variable Rate to another Variable Rate may not occur more often than four times a year and any Conversion to the Daily Rate requires the prior written concurrence of the Remarketing Agent that such a Conversion to the Daily Rate would not jeopardize the remarketing of the Bonds.

To effect Conversion of a Subseries of Bonds, the Borrower will deliver a written notice to the Trustee, the City, the Remarketing Agent, and the applicable Credit Provider relating to such Subseries of Bonds, electing to have the interest rate on such Bonds converted, and specifying the Conversion Date, which will be not less than 35 calendar days after such notice is received by such parties for conversion. Notice of a Conversion must be accompanied by (A) except in the case of a Conversion from one Flexible Rate to another Flexible Rate, a form of opinion of Bond Counsel, addressed to the City, Trustee and the Remarketing Agent, to the effect that Conversion in accordance with the provisions of the Indenture will not adversely affect the exemption from federal income taxation of interest on the Tax-Exempt Bonds; (B) upon Conversion to a Variable Rate, written approval of the Conversion by a Credit Provider accompanied by an irrevocable commitment for the issuance of a Substitute Letter of Credit for such Bonds, satisfying the requirements of the Indenture, to be in effect upon and after Conversion, which commitment states that the Substitute Letter of Credit will be in the Coverage Amount, together with accompanying documentation required by the Indenture; (C) upon Conversion to the Daily Rate, written concurrence of the Remarketing Agent that such a Conversion to the Daily Rate would not jeopardize the remarketing of such Bonds; (D) an opinion of Bond Counsel to the effect that the provisions of the Loan

Agreement regarding continuing disclosure have been met; (E) a certification that the requirements described under the subheading “– Certain Restrictions on Transfer and Remarketing” will be satisfied upon Conversion; and (F) a check or wire transfer to the Trustee in the amount, if any, estimated by the Remarketing Agent, to pay all costs associated with the Conversion (excluding underwriter costs and fees to remarket such Bonds but including the costs and applicable fees of the Trustee and the City). The Trustee will notify DTC of any Conversion among Variable Rate Modes or the Flexible Rate Mode no later than 15 days prior to the anticipated Conversion. Bonds must be in book-entry form in order to bear interest at Daily Rates or Flexible Rates.

Payments Due on Other Than Business Days

In any case where the date of payment of principal, premium, if any, or interest on the Bonds or the date fixed for redemption of any Bonds, or the date for performing any act or exercising any right, will be a day other than a Business Day, then payment of interest or principal and premium, if any, or the performance of such act or exercise of such right need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if it had been made on the date scheduled for such payment, performance, or exercise.

Certain Restrictions on Transfer and Remarketing

Under the Indenture, a remarketing of any Bond in connection with a mandatory tender for purchase in connection with a Conversion, a substitution of a Letter of Credit, the delivery of an Alternate Credit Facility, or the termination or expiration of a Credit Facility will be null and void unless the Bond to be remarketed satisfies the requirements of subsection (a), (b) or (c) below:

- (a) Upon remarketing, the credit-enhanced or unenhanced long-term rating assigned by the Rating Agency to the Bond would be equal to or higher than “A,” “A2” or equivalent, and, for Variable Rate Bonds and Flexible Rate Bonds, the credit-enhanced or unenhanced short-term rating assigned to the Bond would be in the highest rating category of such Rating Agency.
- (b) All of the Outstanding Bonds are being remarketed to a single Beneficial Owner and the new Beneficial Owner of the Bonds would be an Approved Transferee that has delivered to the City and the Trustee a Required Transferee Representations certificate.
- (c) The written consent of the City to such remarketing is obtained.

The Indenture provides that any Bond that is not supported by a Credit Facility satisfying the requirements of the Indenture will not be transferred to a new Beneficial Owner unless all of the Outstanding Bonds are being simultaneously transferred to such new Beneficial Owner.

Mandatory Tender on Conversion

The Bonds of a Subseries are subject to mandatory tender for purchase on any Conversion Date for such Subseries. The Trustee will give notice of the Conversion Date to the Registered Owners of the affected Bonds, in the same manner that notices of redemption are given, not less than 10 calendar days prior to the Conversion Date, which notice will (1) specify the Conversion Date; (2) state that from and after the Conversion Date the Bonds held by that Registered Owner will cease to bear interest; and (3) state that with respect to a Conversion Date such Bonds are subject to mandatory tender on the Conversion Date for purchase at the Purchase Price and that any such Bonds not delivered to the Trustee on the Conversion Date will be deemed to have been delivered on such Conversion Date and will be

available for purchase. Any Bond not tendered for purchase on the Conversion Date will be deemed to have been tendered for purchase, and will cease to accrue interest on the Conversion Date. Notwithstanding the foregoing, no notice of mandatory tender upon a Conversion will be given if the Conversion Date is also a Substitution Date.

The Purchase Price of any Bond deemed to have been tendered as provided above will be paid to the Registered Owner of such Bond who has been deemed to have tendered such Bond upon the delivery of such Bond to the Trustee, but from and after the Conversion Date such Bond in the possession of such Registered Owner will not continue to accrue interest.

Mandatory Tender on Substitution of Letter of Credit

The Bonds of a Subseries will be subject to mandatory tender in whole on the Substitution Date, being: (i) the effective date of any Substitute Letter of Credit or Alternate Credit Facility relating to such Bonds, or (ii) the date on which the Borrower elects to cause the termination of the existing Credit Facility relating to such Bonds in accordance with the terms thereof pursuant to the provisions of the Indenture described in Appendix A under the heading "THE INDENTURE – Termination or Expiration of Credit Facility; Unenhanced Bonds."

The Trustee will give written notice of the substitution of a Letter of Credit to all affected Owners in the manner described under the heading "THE INDENTURE – Substitute Letter of Credit" in Appendix A hereto, provided, that such notice will additionally state that all of the affected Bonds are subject to mandatory tender on the Substitution Date for purchase at the Purchase Price and that any such Bonds not delivered to the Trustee on the Substitution Date will be deemed to have been delivered on such Substitution Date and will be available for purchase. Any affected Bond not tendered for purchase on the Substitution Date will be deemed to have been tendered for purchase, and will cease to accrue interest on such date.

The Trustee will make appropriate notation on the registration record of any Bond deemed to have been delivered and purchased, and will give notice by mail to the Registered Owner of each Bond deemed to have been delivered that the Bond in the possession of such Registered Owner will cease to accrue interest on the Substitution Date. The Purchase Price of any Bond deemed to have been tendered as provided above will be paid to the Registered Owner of such Bond who has been deemed to have tendered such Bond upon the delivery of such Bond to the Trustee, but from and after the Substitution Date such Bond in the possession of such Registered Owner will not continue to accrue interest.

Grace Period for Providing Substitute Letter of Credit Following Wrongful Dishonor

The Loan Agreement provides that if the provider of a Credit Facility then in effect wrongfully dishonors a properly presented and conforming draw on such Credit Facility, so long as no Event of Default has occurred under the Indenture (due to the continued payment of principal, interest and/or Purchase Price of Bonds from payments by or on behalf of the Borrower from Seasoned Funds (as defined in Appendix A) under the Loan Agreement), the Borrower will not be considered to be in default under the Loan Agreement if it replaces such Credit Facility with a Substitute Letter of Credit or Alternate Credit Facility meeting the requirements of the Indenture within six (6) months of such Wrongful Dishonor.

A failure to replace the Credit Facility upon a Wrongful Dishonor will constitute an Event of Default under the Loan Agreement immediately upon the occurrence of any other Event of Default under the Indenture, or otherwise upon the expiration of said six (6)-month period, and no additional cure period will be available to the Borrower under the Loan Agreement.

Mandatory Tender on Termination or Expiration of Credit Facility

The Borrower may, at the times permitted by the Indenture, cause a Subseries of Bonds to be subject to mandatory tender for purchase in order to terminate an existing Credit Facility with respect thereto in accordance with the terms of such Credit Facility; provided, that (i) such existing Credit Facility provides for a draw in an amount necessary to pay the purchase price, including any accrued interest, of such Bonds on the mandatory tender date selected by the Borrower, (ii) the provider of such Credit Facility is not in default under its Credit Facility, and (iii) such Bonds will be remarketed by the applicable Remarketing Agent with an Alternate Credit Facility or, for Bonds to be remarketed at other than Variable Rates, with no Credit Facility, provided the Bonds so remarketed are in compliance with the requirements described under "Certain Restrictions on Transfer and Remarketing" above. The Bonds so affected will be subject to mandatory tender for purchase in accordance with the Indenture.

The Bonds of a Subseries will be subject to mandatory tender for purchase in whole on the latest regularly scheduled Interest Payment Date that is at least five Business Days prior to the stated expiration date of the related Credit Facility if (1) either (A) the Borrower does not cause to be delivered to the Trustee at least 30 days prior to such Interest Payment Date an extension of the then-current Credit Facility or an irrevocable commitment for an Alternate Credit Facility satisfying the requirements of the Indenture, or (B) after the delivery of the irrevocable commitment described in clause (A) hereof, the Borrower does not cause to be delivered to the Trustee such Alternate Credit Facility, together with the documents required by the Indenture, on or prior to the 15th calendar day prior to such regularly scheduled Interest Payment Date, and (2) the Borrower fails to initiate a mandatory tender for purchase pursuant to the immediately preceding paragraph above on or prior to the 15th calendar day prior to such regularly scheduled Interest Payment Date. Such Bonds may thereafter be remarketed by the applicable Remarketing Agent with an Alternate Credit Facility or with no Credit Facility, provided the Bonds so remarketed are in compliance with the requirements described under "Certain Restrictions on Transfer and Remarketing" above. The Bonds so affected shall be subject to mandatory tender for purchase in accordance with the Indenture.

Notice of Mandatory Tender

The Trustee will give notice of the Demand Date (whether a Conversion Date or the date on which a Substitute Letter of Credit or Alternate Credit Facility is to be provided) to the Registered Owners of the affected Bonds, in the same manner as notices for redemption of Bonds are given, not less than 10 calendar days prior to the Demand Date. The notice will specify the Demand Date, state that from and after the Demand Date such Bonds will cease to bear interest, and state that such Bonds are subject to mandatory tender to the Trustee on the Demand Date for purchase at the Purchase Price.

Demand Purchase Option

Weekly Rate Bonds. The Weekly Rate Bonds will be purchased in any Authorized Denomination (so long as any untendered portion is also in an Authorized Denomination) at the option of the Owner (or Beneficial Owner if the Bonds are in fully immobilized form) thereof at the Purchase Price thereof (payable in immediately available funds at the Principal Office of the Trustee), if the Owner (or Beneficial Owner) thereof:

(A) gives irrevocable notice to the Remarketing Agent and the Trustee at or prior to [11:00 a.m.], New York City time, by fax or Electronic Notice to such numbers or addresses designated for such purpose by the Remarketing Agent and the Trustee stating the Owner's (or Beneficial Owner's) irrevocable and unconditional election to tender such Weekly Rate Bond. Such Demand Notice must include the name of such Owner (or Beneficial Owner) and the aggregate principal amount and CUSIP

numbers of Weekly Rate Bonds to be tendered and the applicable purchase date (the “Demand Date”), which will be a Business Day on or prior to a Conversion Date but not prior to the seventh day next succeeding the date of delivery of such notice to the Remarketing Agent and the Trustee and, if delivered by the beneficial owner of the Weekly Rate Bond, must be accompanied by an “SDFS Deliver Order” entered at DTC before or simultaneously with the notice; and

(B) if Bonds are in certificated form, delivers such Weekly Rate Bond, together with any applicable due bills, to the Trustee at or prior to [11:00 a.m.], New York City time, on the applicable purchase date with all necessary endorsements.

Daily Rate Bonds. The Daily Rate Bonds will be purchased in any Authorized Denomination (so long as any untendered portion is also in an Authorized Denomination) on any Business Day, at the option of the Owner (or Beneficial Owner, if the Bonds are in fully immobilized form) thereof, at the Purchase Price thereof (payable in immediately available funds at the Principal Office of the Trustee), if the Owner (or Beneficial Owner) thereof:

(A) gives irrevocable notice to the Remarketing Agent and the Trustee at or prior to [11:00 a.m.], New York City time, on such Business Day by fax or Electronic Notice to such numbers or addresses designated for such purpose by the Remarketing Agent and the Trustee stating the Owner’s (or Beneficial Owner’s) irrevocable and unconditional election to tender such Daily Rate Bond on such Demand Date. Such Demand Notice must include the name of such Owner (or Beneficial Owner) and the aggregate principal amount and CUSIP number of the Daily Rate Bonds to be tendered and, if delivered by the beneficial owner of the Daily Rate Bond, must be accompanied by an “SDFS Deliver Order” entered at DTC before or simultaneously with the notice; and

(B) if Bonds are in certificated form, delivers such Daily Rate Bond, together with any applicable due bills, to the Trustee at or prior to [11:00 a.m.], New York City time, on such Business Day with all necessary endorsements.

General. The delivery of the Tender Notice will be irrevocable and binding upon the Owner (or Beneficial Owner) providing such notice, and any certificated Bond for which such Tender Notice has been received, whether or not delivered to the Trustee or the Remarketing Agent on the Demand Date, will be deemed to have been so delivered and will be available for purchase. The Trustee and Remarketing Agent may rely conclusively upon receipt by it of a Tender Notice from a Beneficial Owner, but will make payment of the Purchase Price only to the Registered Owner.

The Purchase Price of any Bond deemed to have been tendered as described above will be paid to the Registered Owner (and not to the Beneficial Owner) of such Bond who has been deemed to have tendered such Bond upon delivery of such Bond to the Trustee or the Remarketing Agent, but from and after the Demand Date, such Bond in the possession of such Registered Owner will not continue to accrue interest.

Payment of the Purchase Price of any Bond delivered as described above will be made by wire transfer, as designated in the Tender Notice with respect to such Bond, but, if the Bonds are in certificated form, only upon delivery and surrender of such Bond to the Trustee or the Remarketing Agent.

Anything in the Indenture to the contrary notwithstanding, no Bonds will be purchased or remarketed if an Event of Default under paragraph (a) or (b) under the heading “THE INDENTURE – Defaults” in Appendix A has occurred and is continuing, which occurrence and continuation will be communicated by the Trustee to the Remarketing Agent. Furthermore, no Bonds will be remarketed if all

of the Bonds have been called for redemption or mandatory tender unless the new purchaser has received prior notice from the Remarketing Agent of such redemption or tender.

Purchase of Bonds

In the event that a Tender Notice has been given or a mandatory tender has been declared, the Remarketing Agent shall deliver to the Trustee no later than [12:00 p.m.], New York City time, on the Demand Date funds received from the remarketing of Bonds and the Trustee shall on the Demand Date with respect to Daily Rate Bonds or Weekly Rate Bonds, within the time required by the Indenture, draw on the applicable Credit Facility in an amount sufficient to pay the Purchase Price of any Bond for which the Trustee is not holding the Purchase Price. If on a Demand Date the applicable Credit Provider Wrongfully Dishonors the applicable Credit Facility or a draw thereon and there are insufficient remarketing proceeds to pay the Purchase Price of the Bonds tendered for purchase, the Borrower, or STRS, on behalf of the Borrower, shall have the right to provide funds to the Trustee to pay the Purchase Price of such tendered Bonds.

On each Demand Date the Trustee will pay to the Registered Owners thereof, as provided in the Indenture, but only from amounts representing remarketing proceeds transferred by the Remarketing Agent to the Trustee, draws under the related Letter of Credit or amounts received from the Borrower or STRS, the Purchase Price of any tendered Bonds for which it has received a Tender Notice or for which a mandatory tender has been declared. Such payments will be made first from amounts representing remarketing proceeds, second from draws under the related Credit Facility and third from amounts received from the Borrower or STRS, in that order. Any amounts drawn under a Credit Facility to purchase the related Bonds will be used solely for such purpose. If there are excess proceeds drawn under a Credit Facility that are not needed to purchase related Bonds, the Trustee will return such excess to the applicable Credit Provider. The obligation to provide moneys for the Purchase Price of any Bonds will be satisfied solely from the related Credit Facility or the proceeds of remarketing of such Bonds or other Seasoned Funds, but will not be a personal obligation of the Borrower.

Moneys held by the Remarketing Agent as remarketing proceeds upon nonpresentment of certificated Bonds will be transferred to the Trustee and handled as unclaimed moneys pursuant to the Indenture. Draws on a Credit Facility will also be invested in such manner; provided that remarketing proceeds held by the Trustee will be held separate and apart from proceeds of draws on a Credit Facility and Seasoned Funds in special accounts established for such purpose.

Additional Bonds; Additional Indebtedness

Without the consent of or notice to the Bondowners, the City may issue additional bonds having a parity of lien on the Trust Estate at the request of the Borrower with (1) the prior written consent of the Credit Provider of an Alternate Credit Facility and written confirmation from the Credit Provider of an Alternate Credit Facility delivered to the Trustee and the City to the effect that a Letter of Credit or Alternate Credit Facility has been increased in Coverage Amount, or a separate Alternate Credit Facility has been provided, to provide credit enhancement and, if necessary, liquidity support, for the Bonds and additional bonds and (2) prior written confirmation from the Rating Agency that the rating on the Bonds will not be reduced or withdrawn solely as a result of the issuance of any such additional bonds. If additional bonds are issued as described under this heading, all references in the Indenture to the Bonds will be deemed to refer to the Bonds and any additional bonds.

Without the consent of or notice to the Bondowners, the Borrower may incur additional indebtedness and may grant liens to secure such additional indebtedness; provided, however, that nothing described under this heading will alter any requirement in any reimbursement or similar credit agreement

between the Borrower and the Bank, Substitute Bank or issuer of any Alternate Credit Facility to obtain the written consent of such entity to the incurring of such additional indebtedness or the grant of such liens.

Remarketing Agent

Under the Indenture and the Remarketing Agreement, Citigroup Global Markets Inc. has been appointed initial Remarketing Agent for the Bonds.

The Remarketing Agent, upon receipt of a Tender Notice or upon notice of a mandatory tender of Bonds with respect to which it serves as Remarketing Agent under the Indenture, will use its best efforts to find a purchaser for the Bonds referred to in such Tender Notice at a price equal to the Purchase Price. The Bonds may not be remarketed to the City, the Borrower, any guarantor or member of the Borrower or an affiliate of the Borrower and may not be remarketed if an Event of Default under the Indenture has occurred and is continuing.

Upon receipt by the Trustee of the Purchase Price and, if the Bonds are in certificated form, receipt by the Trustee or the Remarketing Agent of the tendered Bonds to be purchased on such date in good form for delivery, the Trustee will remit the Purchase Price of such Bonds to the tendering Bondowner.

Disclosure Concerning Sales by Remarketing Agent

Remarketing Agent is Paid by the Borrower. The Remarketing Agent's responsibilities include determining the interest rate from time to time and remarketing Bonds with respect to which it serves as Remarketing Agent that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Indenture and the Remarketing Agreement), all as further described in this Official Statement. The Remarketing Agent is appointed by the Borrower and is paid by the Borrower for its services. As a result, the interests of the Remarketing Agent may differ from those of existing holders and potential purchasers of Bonds.

Remarketing Agent Routinely Purchases Bonds for its Own Account. The Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its discretion, routinely purchases such obligations for its own account. The Remarketing Agent is permitted, but not obligated, to purchase tendered Bonds with respect to which it serves as Remarketing Agent for its own account and, in its sole discretion, routinely acquires such tendered Bonds in order to achieve a successful remarketing of the Bonds (i.e., because there otherwise are not enough buyers to purchase the Bonds) or for other reasons. However, the Remarketing Agent is not obligated to purchase Bonds, and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the Bonds remarketed by it by routinely purchasing and selling such Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agent is not required to make a market in the Bonds. The Remarketing Agent may also sell any Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Bonds. The purchase of Bonds by the Remarketing Agent may create the appearance that there is greater third party demand for the Bonds in the market than is actually the case. The practices described above also may result in fewer Bonds being tendered in a remarketing.

Bonds Within a Series May be Offered at Different Prices on Any Date Including an Interest Rate Determination Date. Pursuant to the Remarketing Agreement, the Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the

sale of the relevant Bonds at par plus accrued interest, if any, on and as of the applicable Variable Rate Determination Date. The interest rates will reflect, among other factors, the level of market demand for the Bonds (including whether the Remarketing Agent is willing to purchase Bonds for its own account). There may or may not be Bonds tendered and remarketed on a Variable Rate Determination Date, the Remarketing Agent may or may not be able to remarket any Bonds tendered for purchase on such date at par, and the Remarketing Agent may sell Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the Bonds with respect to which it serves as Remarketing Agent at the remarketing price. In the event the Remarketing Agent owns any Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Bonds on any date, including the Variable Rate Determination Date, at a discount to par to some investors.

The Ability to Sell the Bonds other than through Tender Process May Be Limited. The Remarketing Agent may buy and sell Bonds other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require holders that wish to tender their Bonds to do so with appropriate notice. Thus, investors who purchase the Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Bonds other than by tendering the Bonds in accordance with the tender process.

Redemption of the Bonds

Optional Redemption. The Bonds of a Subseries are subject to optional redemption, in whole or in part, without premium, on any Business Day, at a price equal to the principal amount redeemed plus interest to the redemption date, with the written consent of the related Credit Provider.

The Borrower has agreed under the terms of each Reimbursement Agreement to exercise its right to redeem a related Subseries of Bonds at its option at the times and in the amounts set forth in the related Reimbursement Agreement. See "SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENTS AND THE LETTERS OF CREDIT – Certain Covenants of Borrower" herein. Notwithstanding the foregoing, the Bank may waive these requirements in its discretion and without notice to, or consent of, the affected Bondholders. The Borrower may redeem Bonds in excess of the Bank's requirements, with the Bank's prior written consent and in the Bank's sole discretion and without consent of, the Bondholders.

The Trustee will give notice to Bondowners of any optional redemption of Bonds as described under the heading "Notice of Redemption" below; provided, that (i) the requirements of the Loan Agreement relating to prepayments of the Mortgage Note have been met and (ii) the applicable Credit Provider has given its written consent if the applicable Credit Facility is to be drawn upon to pay the principal portion of the prepayment. Conditional notice may be given. Such notice may be rescinded by the Trustee if funds are not available on the date fixed for redemption.

Mandatory Redemption. The Bonds are subject to mandatory redemption at a price equal to the principal amount of Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption as follows:

(a) ***Funds Remaining in Mortgage Loan Fund.*** The Bonds are subject to redemption, in whole or in part (and if in part, in such maturities and Subseries as may be selected by the Borrower), on the first regularly scheduled Interest Payment Date on or after _____, unless such date is extended in accordance with the Loan Agreement, in an amount equal to the Mortgage Loan proceeds (plus any interest earnings thereon) remaining in the Mortgage Loan Fund at the close of business on _____ (or the fifteenth day of the second month preceding the month in which any extension of such date set for

redemption ends), provided that amounts remaining in the Tax-Exempt Account of the Mortgage Loan Fund will be used only to redeem Tax-Exempt Bonds unless an opinion of Bond Counsel is delivered to the Trustee, the City and the Remarketing Agent to the effect that such redemption will not cause interest on the Tax-Exempt Bonds to become includable in gross income for federal income tax purposes.

(b) *Determination of Taxability.* The Tax-Exempt Bonds are subject to redemption (i) in an amount equal to the Outstanding Tax-Exempt Bonds, as soon as practicable following receipt by the Trustee of written notice from the City, Borrower or Bond Counsel of a Determination of Taxability, or (ii) in whole or in part (and if in part, in such maturities and Subseries as may be selected by the Borrower), as soon as practicable, in order to prevent a Determination of Taxability (in the amount determined by Bond Counsel to be necessary to preserve the tax-exemption of interest on the Tax-Exempt Bonds that will remain Outstanding thereafter, if any).

(c) *Casualty or Condemnation.* The Bonds of a Subseries are subject to redemption in whole or in part, on the next regularly scheduled Interest Payment Date for which notice of redemption can be given pursuant to the Indenture, upon written notice to the Trustee of the determination of the Administrative Agent, in accordance with the Loan Agreement, to have the Trustee draw on the applicable Credit Facility in the amount of any net proceeds of insurance or condemnation awards in an amount not less than \$25,000 not used to repair or replace the Projects or otherwise in accordance with the Loan Agreement.

(d) *Default Under a Reimbursement Agreement.* Upon receipt by the Trustee of written notice from the Administrative Agent or applicable Credit Provider of an Event of Default as defined in and under the applicable Credit Agreement and the determination by the Administrative Agent or such Credit Provider to have the Trustee draw on such Credit Facility, the Bonds of a Subseries will be subject to redemption in whole, within thirty (30) days of the receipt of such written notice but in no event later than the first Business Day prior to the expiration or termination of the applicable Credit Facility. See "SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENTS AND THE LETTERS OF CREDIT" herein.

(e) *Default Under Regulatory Agreement, Tax Certificate or Loan Agreement.* The Bonds are subject to redemption in whole on the first regularly scheduled Interest Payment Date for which notice of redemption can be given in accordance with the Indenture, following receipt by the Trustee of written notice from the City of the occurrence of an Event of Default under any Regulatory Agreement, the Tax Certificate or certain defaults under the Loan Agreement (other than failure to make payment on the Mortgage Note) and requesting redemption of the Bonds.

(f) *Wrongful Dishonor, Bankruptcy of Credit Provider or Determination of Unenforceability.* The Bonds of a Subseries are subject to redemption in whole, as soon as practicable but not later than the fifth Business Day prior to the stated expiration or termination of the applicable Credit Facility, (i) if within (a) six (6) months after a Wrongful Dishonor, or (ii) sixty (60) days after an Act of Bankruptcy of Credit Provider or a Determination of Unenforceability, the Borrower does not cause to be delivered to the Trustee an irrevocable commitment for a Substitute Letter of Credit or Alternate Credit Facility satisfying the requirements in the Indenture; provided, that upon any acceleration of the Bonds, such six (6)-month or sixty (60)-day opportunity to avoid mandatory redemption pursuant to this paragraph will cease, or (ii) if, after the delivery of the irrevocable commitment described in clause (i) hereof, the Borrower does not cause to be delivered to the Trustee such Substitute Letter of Credit or Alternate Credit Facility in accordance with such commitment and the Indenture. See "SECURITY FOR THE BONDS – Deed of Trust and Bond Intercreditor Agreement."

(g) *Credit Provider Direction.* The Bonds of each Subseries will be subject to redemption in part, at the written direction of the Administrative Agent (A) on each Conversion Date in an amount not greater than the amount in the applicable Principal Reserve Account on the first Business Day of the month prior to such Conversion Date, as applicable, or (B) on any Interest Payment Date while such Bonds bear interest at a Daily Rate or a Weekly Rate, in an amount not greater than the amount in the applicable Principal Reserve Account on the first Business Day of the month prior to such Interest Payment Date.

(h) *Available Amounts in Principal Reserve Fund.* The Bonds of a Subseries will be subject to redemption in part, on the first Business Day of each month while such Bonds bear interest at Variable Rates in an amount equal to the amount, if any, which is available in the Principal Reserve Fund in excess of the Principal Reserve Requirement, to be applied to the redemption of Bonds in accordance with the Indenture.

Notice of Redemption. For so long as the Bonds are held in book-entry form, notices of redemption will be given by the Trustee solely in accordance with the Letter of Representations. The Trustee will give notice of redemption not less than 30 days and not more than 40 days prior to the date fixed for redemption; except for notice of mandatory redemption as described in paragraphs (b) or (f) under the heading "Mandatory Redemption" above or notice of optional redemption as described under the heading "Optional Redemption" above (which will be given not less than ten days prior to the date fixed for redemption) and paragraph (e) under such heading (which will be given as soon as practicable), but in no event later than the date fixed for redemption (all of which will be deemed given when mailed).

All notices of redemption will be sent by first class mail, postage prepaid, to the Credit Provider, the City, the Borrower, the Remarketing Agent and the Registered Owner of each Bond to be redeemed at the address of such Owner as shown on the Bond Register; provided, however, that no such notice of redemption will be mailed unless on or prior to the date of mailing the Trustee has the authority to make a draw on the applicable Credit Facility in an amount sufficient to pay principal of and interest on such Bonds on the dates set for redemption to redeem such Bonds. Neither the failure of a Bondowner to receive notice by mail nor any defect in any notice so mailed will affect the validity of the proceedings for such redemption. Such notice will state the redemption date, the redemption price, the amount of accrued interest payable on the redemption date, the place at which the Bonds are to be surrendered for payment, that from the redemption date interest on the Bonds to be redeemed will cease to accrue and, if less than all of the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice mailed as provided above will be conclusively presumed to have been duly given, whether or not the Bondowner receives such notice. The Trustee will provide additional notice of redemption to Bondowners in the event Bonds are not presented for payment within 60 days of the date fixed for redemption. Notice may be given on a conditional basis.

Partial Redemption. All or a portion of any Bond may be redeemed, but only if the unredeemed portion is in a principal amount equal to an Authorized Denomination. Unless otherwise directed by the Borrower, the Trustee will select the Bonds of a Subseries to be redeemed, first from among Bank Bonds of such Subseries, if any, until no Bank Bonds of such Subseries remain Outstanding. The Trustee will provide notice of the redemption of Bonds to DTC in accordance with the Letter of Representations.

In the event that fewer than all Bonds Outstanding are to be redeemed, the Trustee will consider each \$5,000 of principal of a Bond in excess of the minimum Authorized Denomination of principal as a separate bond for purposes of selection and will select the necessary number of \$5,000 principal portions for redemption in a random manner. In the event that following this method of selecting portions of Bonds for redemption all Bonds are at the minimum Authorized Denomination and an additional amount of less than the minimum Authorized Denomination is to be redeemed, the Trustee will select a Bond

from among the remaining Bonds and redeem that single Bond in part so that following such redemption such Bond will be in an outstanding principal amount of less than the minimum Authorized Denomination, but only if the principal amount of such Bond is in a multiple of \$5,000. No more than one Bond may have a principal amount of less than the minimum Authorized Denomination at any time. If Bank Bonds are to be called, the Trustee will provide notice of such selection to DTC in accordance with the Letter of Representations.

Upon surrender of any Bond for redemption in part, the City will execute and the Trustee will authenticate and deliver to the owner thereof a new Bond or Bonds of Authorized Denominations of the same maturity and in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Effect of Redemption. Notice of redemption having been given as provided above, the Bonds or portions thereof designated for redemption will become due and payable on the date fixed for redemption and, unless the City defaults in the payment of the principal thereof and interest thereon, such Bonds or portions thereof will cease to bear interest from and after the date fixed for redemption whether or not such Bonds are presented and surrendered for payment on such date. If any Bond or portion thereof called for redemption is not so paid upon presentation and surrender thereof for redemption, such Bond or portion thereof will continue to bear interest at the rate set forth thereon until paid or until due provision is made for the payment of same.

Purchase in Lieu of Redemption. If all Outstanding Bonds of a Subseries are called for redemption in whole under (i) paragraph (d) under the heading "Mandatory Redemption" above due to an Event of Default under a Reimbursement Agreement, or (ii) paragraph f(ii) under the heading "Mandatory Redemption" above due to the failure to deliver a Substitute Letter of Credit or Alternate Credit Facility, such Bonds may, in lieu of such redemption, be purchased ("Special Purchase Bonds") by the Trustee, at the written direction of the related Credit Provider to the Trustee, for the account of such Credit Provider. Any such purchase of Bonds will be in whole and not in part. Such purchase will be made on the date the Bonds are otherwise scheduled to be redeemed (the "Special Purchase Date"). The purchase price of the Special Purchase Bonds shall be equal to the principal amount of the Special Purchase Bonds plus accrued interest, if any, to the purchase date. The payment source for the Special Purchase Bonds will consist solely of funds to be advanced by the applicable Credit Provider under the applicable Credit Facility.

Bonds to be purchased as described in the immediately preceding paragraph which are not delivered to the Trustee on the Special Purchase Date will be deemed to have been so purchased and not redeemed on the Special Purchase Date and will cease to accrue interest to the former owner on the Special Purchase Date.

Registration, Transfer and Exchange of Bonds

The Bonds initially will be registered in the name of Cede & Co., as nominee of DTC. DTC acts as agent solely for its participants and not for the beneficial owners of the Bonds, the City or the Underwriter. See Appendix C hereto.

SECURITY FOR THE BONDS

The Letters of Credit

Payment of the principal and Purchase Price of and interest on the Bonds of a Subseries is supported by and payable from amounts drawn by the Trustee under the related Letter of Credit. The

forms of the Letters of Credit are attached hereto as Appendix B. A Letter of Credit may be replaced with a Substitute Letter of Credit or an Alternate Credit Facility as described under the heading "THE INDENTURE – Substitute Letter of Credit" and "– Alternate Credit Facility" in Appendix A hereto. The Bonds of a Subseries are subject to mandatory tender in connection with the delivery of a Substitute Letter of Credit or Alternate Credit Facility to support such Bonds as described under the heading "THE BONDS – Mandatory Tender on Substitution of Letter of Credit" herein.

At all times during which Bonds of a Subseries are Outstanding, the Borrower will cause to be provided and continuously available to the Trustee, as beneficiary, an irrevocable, direct pay Letter of Credit or Alternate Credit Facility meeting the requirements of the Indenture. If there is a Wrongful Dishonor by the Bank under a Letter of Credit, the Trustee will have the right to pursue the remedies available under the Indenture. Under the Indenture, "Wrongful Dishonor" means, with respect to a Credit Facility, (i) the Credit Provider has failed to honor a properly presented and conforming draw on such Credit Facility and such failure has resulted in an Event of Default under the Indenture, or (ii) the Credit Facility has been rescinded, repudiated or terminated, whether by action of the Credit Provider, operation of law or otherwise. See "Deed of Trust and Bond Intercreditor Agreement" below.

The Bonds of a Subseries are offered solely on the basis of the related Letter of Credit and not on the basis of the credit of the Borrower, the value, feasibility or cash flow of the Project or any other security. Certain, limited information with respect to the Borrower and the Project has been included in this Official Statement; however, the Borrower has not previously engaged in any other business operation and has no historical earnings and has no assets other than its interest in the Project. Accordingly, investors should make any decision with respect to the purchase, holding or tender of the Bonds based solely upon the credit of the Bank. While the Indenture and the Loan Agreement obligate the Borrower to pay principal of and interest on the Bonds, in the event such principal or interest is not paid from amounts drawn upon the Letters of Credit, the Borrower may not have sufficient funds available for such purposes and the collateral and security for the Bonds may not be sufficient to provide for full payment of the Bonds. See "SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENTS AND THE LETTERS OF CREDIT," "THE BANK," "CERTAIN BONDOWNERS' RISKS – General" and "– The Letters of Credit and the Bank."

Pledge Under the Indenture

The City has appointed U.S. Bank National Association, a national banking association organized under the laws of the United States, to serve as Trustee and to carry out those duties assignable to it under the Indenture and Bond documents. To secure the payment of the principal of, premium, if any, purchase price and interest on all Bonds outstanding and to secure the obligations of the Borrower to the Bank including without limitation, all obligations of the Borrower to the Bank under the Reimbursement Agreements, the City has pledged, assigned and granted to the Trustee the following:

(a) the Mortgage Loan and the Loan Agreement, the Tax Certificate executed by the Issuer and the Borrower, the Regulatory Agreement, the Deed of Trust, the Bond Intercreditor Agreement, the Mortgage Note, the Bond Purchase Agreement dated the date of sale of the Bonds among the Underwriter, the City and the Borrower, the Remarketing Agreement dated as of July 1, 2017 between the Remarketing Agent and the Borrower, and the Continuing Disclosure Agreement dated as of July 1, 2017 between the Borrower and U.S. Bank National Association, as dissemination agent (collectively, the "Mortgage Loan Documents"), including all extensions and renewals of the terms thereof, if any, except the City's rights retained under any of said documents (including but not limited to fees, indemnifications, reimbursements, notice, and provisions regarding transfer of the Project), including but without limiting the generality of the foregoing, the present and continuing right to receive, receipt for, collect or make

claim for any of the Revenues, whether payable under the above referenced documents, or otherwise, to bring actions and proceedings thereunder for the enforcement thereof, and to do any and all things that the City or any other person on behalf of the City is or may become entitled to do under the Mortgage Loan and the above-referenced documents;

(b) all Revenues that may from time to time be conveyed, assigned, hypothecated, endorsed, pledged, mortgaged, granted or delivered to the Trustee, or held by the Trustee in any Fund or Account established pursuant to the terms of the Indenture, together with investment earnings thereon, but excluding (a) money held by the Trustee in the Cost of Issuance Fund, the Rebate Fund, and the Principal Reserve Fund, and (b) money collected pursuant to reimbursement or indemnification of the City or the Trustee; and

(c) any and all other property pledged or assigned as and for additional security under the Indenture, by the City or by anyone on its behalf or with its written consent, to the Trustee.

THE BONDS ARE LIMITED OBLIGATIONS OF THE CITY, AND EACH SUBSERIES OF BONDS IS PAYABLE SOLELY FROM THE REVENUES RELATING TO SUCH BONDS (AS DEFINED IN THE INDENTURE AND CONSISTING PRIMARILY OF AMOUNTS DRAWN UNDER THE RELATED LETTER OF CREDIT), THE TRUST ESTATE AND OTHER FUNDS AND MONEYS PLEDGED AND ASSIGNED UNDER THE INDENTURE. NONE OF THE CITY (EXCEPT TO THE LIMITED EXTENT CERTAIN PAYMENTS AND RIGHTS HAVE BEEN ASSIGNED BY THE CITY UNDER THE INDENTURE), THE STATE OR ANY POLITICAL SUBDIVISION THEREOF NOR ANY PUBLIC AGENCY SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OR PURCHASE PRICE OF, OR PREMIUM (IF ANY) OR INTEREST ON, THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER, AND NONE OF THE BONDS OR ANY OF THE CITY'S AGREEMENTS OR OBLIGATIONS WITH RESPECT THERETO SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE CITY, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, PURCHASE PRICE OF OR INTEREST ON THE BONDS, NOR IS THE STATE, THE CITY, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE, IN ANY MANNER OBLIGATED TO MAKE ANY APPROPRIATION FOR SUCH PAYMENT.

Deed of Trust and Bond Intercreditor Agreement

Deed of Trust. The Borrower will execute the Deed of Trust on the Project to secure the Borrower's obligations to the Trustee under the Loan Agreement. The Deed of Trust grants the Trustee a first lien on the Project; however, the Trustee's ability to pursue remedies against the Borrower and the Project after an Event of Default under the Indenture is subject to the Bond Intercreditor Agreement.

Under the Indenture, the City covenants to enforce diligently all covenants, undertakings and obligations of the Borrower under the Mortgage Loan Documents and of the Credit Providers under each Credit Facility, and authorizes the Trustee, as assignee of the City, to enforce any and all of its rights under the Mortgage Loan Documents and each Credit Facility on behalf of the City and the Owners of the Bonds, subject to the terms of the Deed of Trust and the Bond Intercreditor Agreement. The City reserves the right to enforce its rights under the Regulatory Agreement; provided, that the Trustee is authorized to enforce such rights in accordance with the terms of the Regulatory Agreement so long as Bonds are

Outstanding. Notwithstanding the foregoing, the Trustee and the City agree that the Administrative Agent shall be entitled to direct the Trustee's enforcement and exercise of any approval or other rights granted by the City to the Trustee in this paragraph with respect to any Bonds (but expressly excluding from this assignment any Unassigned Rights and any rights under the Credit Facilities, the Regulatory Agreement, the Continuing Disclosure Agreement, the Bond Purchase Agreement and the Tax Certificate) for so long as and on the condition that (i) there has been no Wrongful Dishonor under any applicable Credit Facility and (ii) no Determination of Unenforceability of any applicable Credit Facility has occurred; provided, however, that the Administrative Agent will be entitled to direct the Trustee's enforcement and exercise of any approval or other rights granted by the City to the Trustee in this paragraph with respect to any Bonds with respect to which the applicable Credit Provider has made unreimbursed payments of any principal or Purchase Price of, or interest on, such Bonds, notwithstanding any subsequent failure to satisfy either of the conditions described in the foregoing clauses (i) or (ii). The Trustee's ability to pursue remedies against the Borrower after an Event of Default under the Indenture is subject to the Bond Intercreditor Agreement. See "CERTAIN BONDOWNERS' RISKS – Limitations Relating to Remedies under the Deed of Trust."

The Borrower will execute the Credit Provider Deed of Trust for the benefit of the Administrative Agent to secure the Borrower's obligations under the Series B-1 Reimbursement Agreement and STRS' obligations under the Series B-2 & B-3 Reimbursement Agreement. The Credit Provider Deed of Trust will be subordinate to the Deed of Trust; however, the Trustee's ability to pursue remedies against the Borrower and the Project after an Event of Default under the Indenture is subject to the Bond Intercreditor Agreement.

[Pursuant to the _____ Agreement, the Borrower agrees to reimburse STRS in full for payments made by STRS to the Bank in connection with the Series B-2 & B-3 Letter of Credit and the Series B-2 & B-3 Reimbursement Agreement. The Borrower's obligations under the _____ Agreement will be secured by the STRS Deed of Trust over the Project for the benefit of STRS, subordinate to the Deed of Trust and the Credit Provider Deed of Trust.]

Bond Intercreditor Agreement. On the date of issuance of the Bonds, the City, the Trustee and the Bank, in its individual capacity and in its capacity as Administrative Agent for itself and the other co-lenders under the Reimbursement Agreements, will enter into the Bond Intercreditor Agreement. The Bond Intercreditor Agreement addresses the relationship of the parties thereto, including, among other matters, the intercreditor relationship between the Trustee and the Bank with respect to the Project upon the occurrence of an Event of Default under the Indenture or the Bank Documents.

Under the Bond Intercreditor Agreement, so long as no Wrongful Dishonor of any Credit Facility nor any Determination of Unenforceability with respect to such Credit Facility has occurred, the Bank will control the exercise of rights and remedies by the Trustee under the Indenture following an Event of Default under the Indenture. As a consequence, the rights of Holders of the Bonds may be limited in important ways in an Event of Default under the Indenture. See "CERTAIN BONDOWNERS' RISKS – Limitations Relating to Remedies under the Indenture and the Bond Intercreditor Agreement." Under the Indenture, "Determination of Unenforceability" means written notice to the Trustee of a final judgment or order of a court of original or appellate jurisdiction to the effect that a Credit Facility is unenforceable or any payment thereunder is to be withheld, enjoined, restricted, restrained or prohibited other than by reason of any action taken by the Borrower.

Guaranty. Under the terms of the Guaranty to be executed and delivered by the Guarantor and delivered to the Bank as Administrative Agent, the Guarantor has agreed [to guarantee the due performance and completion, and prompt payment of interest and operating deficits, and has agreed to a limited guarantee of principal payments under the Reimbursement Agreements.]

ESTIMATED SOURCES AND USES

The estimated sources and uses with respect to the Bonds are as follows:

Sources of Funds⁽¹⁾
Principal of the Bonds
Total Sources of Funds

Uses of Funds⁽¹⁾
Deposit into the Mortgage Loan Fund
Total Uses of Funds

⁽¹⁾ [Costs of issuance of approximately \$_____ will be paid by the Borrower from other available sources and consist of fees of the City, the Trustee, the rating agencies, legal fees, printing fees, Underwriter's fees, and certain other costs incurred in connection with the issuance and delivery of the Bonds. In addition the Borrower is also paying from other available sources fees and expenses related to the issuance of the Letters of Credit.]

SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENTS AND THE LETTERS OF CREDIT

Issuance of the Letters of Credit

The Borrower requested or arranged for the issuance by the Bank of each Letter of Credit to enhance the marketability of the related Subseries of Bonds by securing a source of funds to be devoted exclusively to the payment by the Trustee, when and as due, of the principal or Purchase Price of and interest on the related Bonds. The Bank has agreed to provide the Letters of Credit subject to certain terms and conditions as provided in each Reimbursement Agreement. Each initially capitalized term used under the heading "SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENTS AND THE LETTERS OF CREDIT" and not otherwise defined in this Official Statement shall have the meanings given to such term contained in the Reimbursement Agreements.

The Borrower agrees to reimburse the Bank in full for honored draws made on the Series B-1 Letter of Credit on the date each draw is honored, or in the case of a draw to acquire unremarketed Series B-1 Bonds, on the earliest to occur of (i) the second anniversary of the date of such draw, (ii) the Series B-1 Letter of Credit expiration date, or (iii) the date of redemption or remarketing of the unremarketed Series B-1 Bonds.

Pursuant to the Series B-2 & B-3 Reimbursement Agreement, STRS agrees to immediately reimburse the Bank in full for honored draws made on the Series B-2 & B-3 Letter of Credit on the date each draw is honored.

The Series B-1 Reimbursement Agreement and the Series B-1 Letter of Credit

Certain Covenants of Borrower under the Series B-1 Reimbursement Agreement. In addition to covenants relating to the reimbursement of the Bank for draws made under the Series B-1 Letter of Credit and to the payment of interest, fees and other amounts owing to the Bank, the Borrower covenants and agrees, among other covenants:

- (1) To furnish certain financial and other information to the Bank;

(2) To rebuild the Project upon casualty, to the extent described in the Credit Provider Deed of Trust and the Series B-1 Reimbursement Agreement; and

(3) To limit its ability to transfer or encumber its interest in the Project to the extent described in the Credit Provider Deed of Trust and the Series B-1 Reimbursement Agreement.

Extension. The Borrower shall have the option, upon satisfaction of certain conditions set forth in the Series B-1 Reimbursement Agreement, to extend the term of the Series B-1 Letter of Credit for a period of one or two years following the initial expiration date of such Series B-1 Letter of Credit. In the event that the Borrower does not exercise its option to extend the expiration date of the Series B-1 Letter of Credit as described in this paragraph, the Series B-1 Bonds will be subject to mandatory tender. See "THE BONDS – Mandatory Tender on Termination or Expiration of Credit Facility."

Events of Default. Each of the following events, among others, shall be an event of default under the Series B-1 Reimbursement Agreement:

(1) a default after any applicable grace and cure periods in the payment of any Series B-1 Letter of Credit fee or other amounts required to be paid under the Series B-1 Reimbursement Agreement or certain other documents related thereto (the "Series B-1 Credit Facility Documents");

(2) an "Event of Taxability" shall occur, which term is defined under the Series B-1 Reimbursement Agreement to be any event the result of which is that interest on the Series B-1 Bonds shall not be excludable from gross income for Federal income tax purposes, other than by reason of any such Series B-1 Bond being held by a person who, within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended, is a substantial user of the Project, or is a related person, within the meaning of said Section 147(a);

(3) the Project is not completed in accordance with the provisions of the Series B-1 Reimbursement Agreement and the Loan Agreement on or before the completion date specified therein;

(4) construction of the Project is suspended for a period of thirty (30) consecutive days (other than by reason of the occurrence of an event of force majeure);

(5) the Borrower executes any chattel mortgage or other security agreement with respect to any materials, equipment, furniture or fixtures used in the construction of the Project or the operation of the Project or with respect to any articles of personal property constituting part of the Project, or if any such materials, equipment, furniture, fixtures or articles of personal property are leased or purchased pursuant to any conditional sales contract or other security agreement or otherwise so that the ownership thereof will not vest unconditionally in Borrower free from encumbrances upon being made a part of the Project;

(6) any Guarantor shall fail to comply with the covenants in or shall disclaim its obligations under its guaranty at any time during the term of the Series B-1 Letter of Credit;

(7) any Series B-1 Credit Facility Document shall cease to be in full force or effect or shall cease to constitute, or to continue as, a lien on the assets, property or collateral purported to be encumbered thereby, and such default has not been cured within twenty (20) business days after notice thereof by Bank to Borrower;

(8) certain bankruptcy or similar proceedings arise with respect to the Borrower or any Guarantor;

(9) any other default or breach of representation or covenant shall have occurred and be continuing beyond any applicable grace and cure period under the Series B-1 Reimbursement Agreement or any of the other Series B-1 Credit Facility Documents, the Indenture, the Regulatory Agreement or any other agreement executed and delivered in connection with the Series B-1 Bonds; and

(10) the Borrower fails to cover certain cost deficiencies as required by the Series B-1 Reimbursement Agreement or fails to provide collateral, as required by the Series B-1 Reimbursement Agreement.

Remedies. Upon the occurrence of an Event of Default and at any time thereafter during the continuance of such event, the Bank may, by written notice to the Borrower, pursue any one or more of the following remedies, concurrently or successively:

(1) declare the indebtedness evidenced and secured by the Credit Provider Deed of Trust, immediately due and payable;

(2) demand immediate payment of any amounts due or to become due under any Series B-1 Credit Facility Documents;

(3) require cash collateral in the full amount of the Maximum Committed Amount of the Letter of Credit less the amount held as collateral;

(4) cease authorizing disbursements under the Loan Agreement;

(5) pursue any other action available under the Series B-1 Credit Facility Documents, at law or in equity;

(6) give notice to the Trustee that an event of default under the Series B-1 Reimbursement Agreement has occurred and direct that the Trustee (a) redeem all or a portion of the Series B-1 Bonds in accordance with the Indenture (such redemption to be effected with the proceeds of a draw under the Series B-1 Letter of Credit); or (b) take such actions as are permitted by the Indenture and the Series B-1 Credit Facility Documents; and/or

(7) direct the Trustee to call all of the Series B-1 Bonds for mandatory tender.

Accordingly, an Event of Default under the Series B-1 Reimbursement Agreement may, but will not necessarily result in a redemption of the Series B-1 Bonds under the Indenture.

The Series B-2 & B-3 Reimbursement Agreement and the Series B-2 & B-3 Letter of Credit

General. The following description is a summary of certain provisions of the Series B-2 & B-3 Letter of Credit and the Series B-2 & B-3 Reimbursement Agreement, pursuant to which the Series B-2 & B-3 Letter of Credit is issued. Such summary does not purport to be a complete description or restatement of the material provisions of the Series B-2 & B-3 Reimbursement Agreement and the Series B-2 & B-3 Letter of Credit. Investors should obtain and review a copy of the Series B-2 & B-3 Reimbursement Agreement and the Series B-2 & B-3 Letter of Credit in order to understand all of the terms of such documents. The provisions of any Substitute Series B-2 & B-3 Letter of Credit or Alternate Credit Facility and related reimbursement agreement may be different from those summarized below.

Series B-2 & B-3 Letter of Credit. The Series B-2 & B-3 Letter of Credit is an irrevocable transferable obligation of the Bank with respect to the Series B-2 Bonds and the Series B-3 Bonds. The

Series B-2 & B-3 Letter of Credit will be issued in an amount equal to the aggregate principal amount of the outstanding Series B-2 Bonds and the Series B-3 Bonds, plus ___ days' interest thereon at the rate of ___% per annum (the "Cap Interest Rate"). The Trustee, upon compliance with the terms of the Series B-2 & B-3 Letter of Credit, is authorized and directed to draw up to (a) an amount sufficient (i) to pay principal of the Series B-2 Bonds and the Series B-3 Bonds when due, whether at maturity or upon any redemption or acceleration, and (ii) to pay the portion of the purchase price of the Series B-2 Bonds and the Series B-3 Bonds tendered for purchase and not successfully remarketed or the purchase price of which has not been received by the Trustee by the time specified in the Series B-2 & B-3 Letter of Credit (a "Liquidity Drawing"), equal to the principal amount of the Series B-2 Bonds and the Series B-3 Bonds, plus (b) an amount not to exceed ___ days' of accrued interest on such Bonds at the Cap Interest Rate (i) to pay interest on the Series B-2 Bonds and the Series B-3 Bonds when due, and (ii) to pay the portion of the purchase price of the Series B-2 Bonds and the Series B-3 Bonds tendered for purchase and not successfully remarketed or the purchase price for which has not been received by the Trustee by the time specified in the Series B-2 & B-3 Letter of Credit, equal to the interest accrued, if any, on such Bonds. Notwithstanding the foregoing, no drawings will be made under the Series B-2 & B-3 Letter of Credit for Purchased Bonds (as defined in the Series B-2 & B-3 Reimbursement Agreement), for Bonds bearing interest at a rate other than the Daily Rate or Weekly Rate (collectively, the "Covered Rates"), or for Bonds owned by or on behalf of the Issuer (as defined in the Series B-2 & B-3 Letter of Credit).

The Available Amount (as defined in the Series B-2 & B-3 Letter of Credit) under the Series B-2 & B-3 Letter of Credit will be automatically reduced by the amount of any drawing thereunder, subject to reinstatement as described below. With respect to a drawing to pay interest on the Series B-2 Bonds and the Series B-3 Bonds (an "Interest Drawing"), the Available Amount will be automatically reinstated on the fifth (5th) Business Day (as defined in the Series B-2 & B-3 Letter of Credit) following the date of any Interest Drawing unless the Trustee shall have received from the Bank written notice by the close of business, on the fourth (4th) Business Day after the date of such Interest Drawing that an Event of Default under the Series B-2 & B-3 Reimbursement Agreement has occurred and as a result thereof, the amount of such Interest Drawing shall not be reinstated and the Bank shall direct the Trustee to cause a redemption of the Series B-2 Bonds and the Series B-3 Bonds. With respect to a Liquidity Drawing, the obligation of the Bank to honor drawings under the Series B-2 & B-3 Letter of Credit will automatically be reduced by an amount equal to the amount of said drawing. Prior to the Conversion Date (as defined below), the Bank's obligations to honor drawings under the Series B-2 & B-3 Letter of Credit will be automatically reinstated concurrently upon receipt by the Bank, of a remarketing certificate, and receipt by the Bank of the amount equal to the amount stated on such remarketing certificate.

The Series B-2 & B-3 Letter of Credit will terminate on the earliest of the Bank's close of business on (a) the stated expiration date (July __, 2018, as extended from time to time); (b) the earlier of (i) the date which is five (5) days following the date on which all of the Series B-2 Bonds and the Series B-3 Bonds are converted to bear interest at a rate other than the Daily Rate or the Weekly Rate, as such date is specified in a certificate provided to the Bank under the Series B-2 & B-3 Letter of Credit (the "Conversion Date") or (ii) the date on which the Bank honors a drawing under the Series B-2 & B-3 Letter of Credit on or after the Conversion Date; (c) the date of the Bank's receipt of a certificate from the Trustee specifying that no Series B-2 Bonds and the Series B-3 Bonds remain Outstanding within the meaning of the Trust Indenture, all drawings required to be made under the Trust Indenture and available under the Series B-2 & B-3 Letter of Credit have been made and honored, or that an Alternate Credit Facility (as defined in the Series B-2 & B-3 Reimbursement Agreement) has been issued to replace the Series B-2 & B-3 Letter of Credit pursuant to the Trust Indenture; (d) the date on which an Acceleration Drawing (as defined in the Series B-2 & B-3 Letter of Credit) or Stated Maturity Drawing (as defined in the Series B-2 & B-3 Letter of Credit) is honored by the Bank; or (e) the date which is five (5) days (or if such day is not a Business Day, on the next succeeding Business Day) following the date the Trustee receives a written notice from the Bank specifying the occurrence of an "Event of Default" under the

Series B-2 & B-3 Reimbursement Agreement and directing the Trustee to cause an acceleration of the Series B-2 Bonds and the Series B-3 Bonds.

Events of Default. Pursuant to the Series B-2 & B-3 Reimbursement Agreement, the occurrence of any of the following events (whatever the reason for such event and whether voluntary, involuntary, or effected by operation of Law) shall constitute an Event of Default thereunder, unless waived in writing by the Bank. Reference is made to the Series B-2 & B-3 Reimbursement Agreement for a complete listing of all Events of Default:

(a) *Payment.* The Applicant (as defined in the Series B-2 & B-3 Reimbursement Agreement) shall default in the payment (i) when due of any principal amount of the drawing or (ii) within five (5) Business Days of when due of any interest on the drawing or any fees or other amounts owing under the Series B-2 & B-3 Reimbursement Agreement, under any of the other Related Documents (as defined in the Series B-2 & B-3 Reimbursement Agreement) or in connection herewith.

(b) *Representations.* Any representation, warranty or statement made or deemed to be made by the Applicant in the Series B-2 & B-3 Reimbursement Agreement, in any of the other Related Documents, or in any statement or certificate delivered or required to be delivered pursuant to the Series B-2 & B-3 Reimbursement Agreement or thereto shall prove untrue in any material respect on the date such representation or warranty was made or deemed to be made.

(c) *Covenants.* The Applicant shall:

(i) default in the due performance or observance of certain specified terms, covenants or agreements set forth in the Series B-2 & B-3 Reimbursement Agreement;

(ii) default in the due performance or observance by it of certain specified terms, covenants or agreements set forth in the Series B-2 & B-3 Reimbursement Agreement and such default shall continue unremedied for a period of five (5) Business Days after the earlier of the Applicant becoming aware of such default or notice thereof given by the Bank; or

(iii) default in the due performance or observance by it of any other term, covenant or agreement set forth in the Series B-2 & B-3 Reimbursement Agreement (other than those referred to in paragraphs (a), (b) or (c)(i) or (ii) under the caption "Events of Default" above) set forth in the Series B-2 and B-3 Reimbursement Agreement and such default shall continue unremedied for a period of at least 30 days after the earlier of the Applicant becoming aware of such default or notice thereof given by the Bank.

(d) *Other Related Documents.* (i) The Applicant shall default in the due performance or observance of any term, covenant or agreement in any of the other Related Documents and such default shall continue unremedied for a period of at least 30 days after the earlier of the Applicant becoming aware of such default or notice thereof given by the Bank, (ii) any Related Document shall fail to be in full force and effect or the Applicant shall so assert or any Related Document shall fail to give the Bank the security interests, liens, rights, powers and privileges purported to be created thereby or (iii) an "event of default" by the Applicant shall have occurred under any of the Related Documents (as defined respectfully therein).

(e) *Bankruptcy, etc.* The occurrence of any of the following with respect to the System (as defined in the Series B-2 & B-3 Reimbursement Agreement) or the Applicant or any of its Subsidiaries (as defined in the Series B-2 & B-3 Reimbursement Agreement): (i) a court or Governmental Authority (as defined in the Series B-2 & B-3 Reimbursement Agreement) having jurisdiction in the premises shall enter a decree or order for relief in respect of the System or the Applicant or any of its Subsidiaries in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appoint a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the System or the Applicant or any of its Subsidiaries or for any substantial part of its property or ordering the winding up or liquidation of its affairs; or (ii) an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect is commenced against the System or the Applicant or any of its Subsidiaries and such petition remains unstayed and in effect for a period of 60 consecutive days; or (iii) the System or the Applicant or any of its Subsidiaries shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of such Person or any substantial part of its property or make any general assignment for the benefit of creditors; or (iv) the System or the Applicant or any of its Subsidiaries shall admit in writing its inability to pay its debts generally as they become due or any action shall be taken by such Person (as defined in the Series B-2 & B-3 Reimbursement Agreement) in furtherance of any of the aforesaid purposes.

(f) *Moratorium.* The Applicant shall impose a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of any Obligation (as defined in the Series B-2 & B-3 Reimbursement Agreement), or (ii) any Governmental Authority having appropriate jurisdiction over the Applicant shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or a decree which results in a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of any Obligations.

(g) *Other Debt.* With respect to any other Debt (as defined in the Series B-2 & B-3 Reimbursement Agreement) (other than Debt outstanding under this Agreement) of the System, the Applicant or any of its Subsidiaries in a principal amount, individually or in the aggregate, in excess of \$100,000,000, (A) the System, the Applicant or any of its Subsidiaries shall (x) default in any payment (beyond the applicable grace period with respect thereto, if any) with respect to any such Debt, or (y) default (after giving effect to any applicable grace period) in the observance or performance of any term, covenant or agreement relating to such Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event or condition shall occur or condition exist, the effect of which default or other event or condition is to cause, or permit, the holder or holders of such recourse Debt (or a trustee or agent on behalf of such holders) to cause (determined without regard to whether any notice or lapse of time is required) any such Debt to become due prior to its stated maturity; or (B) any such Debt shall be declared due and payable, or required to be prepaid other than by a regularly scheduled required prepayment prior to the stated maturity thereof; or (C) any such Debt shall mature and remain unpaid.

(h) *Judgments.* One or more judgments, orders, or decrees shall be entered against any one or more of the System, the Applicant or any of its Subsidiaries involving a liability of \$100,000,000 or more, in the aggregate (to the extent not paid or covered by insurance provided by a carrier who has acknowledged coverage), and such judgments, orders or decrees (i) are the subject of any enforcement proceeding commenced by any creditor or (ii) shall continue

unsatisfied, undischarged and unstayed for a period ending on the last day on which such judgment, order or decree becomes final and unappealable.

(i) *Funded Ratio.* At any time the Funded Ratio (as defined in the Series B-2 & B-3 Reimbursement Agreement) shall be less than the Funded Ratio Trigger (as defined in the Series B-2 & B-3 Reimbursement Agreement).

(j) *MAE.* Any event occurs or any situation exists that causes, or is reasonably likely to cause, a Material Adverse Effect (as defined in the Series B-2 & B-3 Reimbursement Agreement).

(k) *Related Documents.* Any "event of default" under any Related Document (as defined respectively therein) shall have occurred.

Remedies. Upon the occurrence of any Event of Default under the Series B-2 & B-3 Reimbursement Agreement, the Bank shall, with notice thereof to the Trustee, exercise under the Series B-2 & B-3 Reimbursement Agreement any one or more of the following rights and remedies in addition to any other remedies under such Series B-2 & B-3 Reimbursement Agreement or by law provided:

(a) by notice to the Applicant, declare all Obligations (as defined in the Series B-2 & B-3 Reimbursement Agreement) to be, and such amounts shall thereupon become, immediately and automatically due and payable without further presentment, demand, protest or other notice of any kind, all of which are thereby waived by the Applicant, *provided, however*, that upon the occurrence of an Event of Default described in paragraph (f) or (g) under the caption "Events of Default" above, such acceleration shall automatically occur (unless such automatic acceleration is waived by the Bank in writing);

(b) give written notice of the occurrence of an Event of Default to the Trustee, directing the Trustee to cause a redemption of the Bonds, thereby causing the Series B-2 and B-3 Letter of Credit to expire 15 days thereafter;

(c) direct the Trustee to exercise its rights under the Indenture and the Related Documents (each as defined in the Series B-2 & B-3 Reimbursement Agreement).; and

(d) pursue any other action available at law or in equity;

provided, however, that the failure of the Bank to give notice of the exercise of any such right or remedy shall not affect the validity or enforceability thereof.

Indenture Provisions Respecting the Letter of Credit

The Trustee will draw moneys under each Letter of Credit in accordance with the terms thereof in order to provide the moneys necessary to make timely payments of the principal of and interest on the applicable Subseries of Bonds (other than Bank Bonds) on each Interest Payment Date. Payments of principal of and interest on the Bonds will be paid from the following sources in the following order of priority: (1) proceeds of draws on such Letter of Credit and (2) in the event that the applicable Credit Provider has failed to pay a draw on such Letter of Credit, any other available Revenues paid to the Trustee.

A Letter of Credit may be replaced with a Substitute Letter of Credit or an Alternate Credit Facility as described under the heading "THE INDENTURE – Substitute Letter of Credit" and "– Alternate Credit Facility" in Appendix A hereto. The Bonds of a Subseries are subject to mandatory tender in connection with the delivery of a Substitute Letter of Credit or Alternate Credit Facility supporting such Subseries as described under the heading "THE BONDS – Mandatory Tender on Substitution of Letter of Credit" herein.

THE BANK

The information presented under this heading has been supplied by the Bank. None of the City, the Trustee, the Borrower or the Underwriter has independently verified such information, and none assumes responsibility for the accuracy of such information.

Bank of America, N.A. (the "Bank") is a national banking association organized under the laws of the United States, with its principal executive offices located in Charlotte, North Carolina. The Bank is a wholly-owned indirect subsidiary of Bank of America Corporation (the "Corporation") and is engaged in a general consumer banking, commercial banking and trust business, offering a wide range of commercial, corporate, international, financial market, retail and fiduciary banking services. As of December 31, 2016, the Bank had consolidated assets of \$1.68 trillion, consolidated deposits of \$1.334 trillion and stockholder's equity of \$206.21 billion based on regulatory accounting principles.

The Corporation is a bank holding company and a financial holding company, with its principal executive offices located in Charlotte, North Carolina. Additional information regarding the Corporation is set forth in its Annual Report on Form 10-K for the fiscal year ended December 31, 2016, together with its subsequent periodic and current reports filed with the Securities and Exchange Commission (the "SEC").

Filings can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549, United States, at prescribed rates. In addition, the SEC maintains a website at <http://www.sec.gov> which contains reports, proxy statements and other information regarding registrants that file such information electronically with the SEC.

The information concerning the Corporation and the Bank is furnished solely to provide limited introductory information and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the referenced documents and financial statements referenced therein.

The Bank will provide copies of the most recent Bank of America Corporation Annual Report on Form 10-K, any subsequent reports on Form 10-Q, and any required reports on Form 8-K (in each case as filed with the SEC pursuant to the Exchange Act), and the publicly available portions of the most recent quarterly Call Report of the Bank delivered to the Comptroller of the Currency, without charge, to each person to whom this document is delivered, on the written request of such person. Written requests should be directed to:

Bank of America Corporate Communications
100 North Tryon St, 18th Floor
Charlotte, North Carolina 28255
Attention: Corporate Communication

PAYMENTS OF PRINCIPAL AND INTEREST ON A SUBSERIES OF BONDS WILL BE MADE FROM DRAWINGS UNDER THE RELATED LETTER OF CREDIT. PAYMENTS OF THE

PURCHASE PRICE OF A SUBSERIES OF BONDS WILL BE MADE FROM DRAWINGS UNDER THE RELATED LETTER OF CREDIT IF REMARKETING PROCEEDS ARE NOT AVAILABLE. ALTHOUGH THE LETTERS OF CREDIT ARE BINDING OBLIGATIONS OF THE BANK, THE BONDS ARE NOT DEPOSITS OR OBLIGATIONS OF THE CORPORATION OR ANY OF ITS AFFILIATED BANKS AND ARE NOT GUARANTEED BY ANY OF THESE ENTITIES. THE BONDS ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY AND ARE SUBJECT TO CERTAIN INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED.

The delivery of this information shall not create any implication that there has been no change in the affairs of the Corporation or the Bank since the date of the most recent filings referenced herein, or that the information contained or referred to in this subheading is correct as of any time subsequent to the referenced date.

THE CITY AND COUNTY OF SAN FRANCISCO

The City is a municipal corporation and chartered city and county of the State of California, organized and existing under and pursuant to its Charter and the Constitution and laws of the State. The City is authorized to issue bonds for the purpose of providing funds to make a loan for the acquisition, construction or rehabilitation of housing located in the City and County of San Francisco.

THE BONDS ARE LIMITED OBLIGATIONS OF THE CITY, AND EACH SUBSERIES OF BONDS IS PAYABLE SOLELY FROM THE REVENUES RELATING TO SUCH BONDS (AS DEFINED IN THE INDENTURE AND CONSISTING PRIMARILY OF AMOUNTS DRAWN UNDER THE RELATED LETTER OF CREDIT), THE TRUST ESTATE AND OTHER FUNDS AND MONEYS PLEDGED AND ASSIGNED UNDER THE INDENTURE. NONE OF THE CITY (EXCEPT TO THE LIMITED EXTENT CERTAIN PAYMENTS AND RIGHTS HAVE BEEN ASSIGNED BY THE CITY UNDER THE INDENTURE), THE STATE OR ANY POLITICAL SUBDIVISION THEREOF NOR ANY PUBLIC AGENCY SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OR PURCHASE PRICE OF, OR PREMIUM (IF ANY) OR INTEREST ON, THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER, AND NONE OF THE BONDS OR ANY OF THE CITY'S AGREEMENTS OR OBLIGATIONS WITH RESPECT THERETO SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE CITY, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, PURCHASE PRICE OF OR INTEREST ON THE BONDS, NOR IS THE STATE, THE CITY, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE, IN ANY MANNER OBLIGATED TO MAKE ANY APPROPRIATION FOR SUCH PAYMENT.

THE PROJECT AND THE BORROWER

The following has been provided solely by the Borrower. None of the City, the Bank, the Trustee, the Underwriter, nor any of their officers or employees, makes any representations as to the accuracy or sufficiency of such information. The information concerning the Borrower, the Project and the plan of finance contained herein is furnished solely to provide limited general information regarding the Borrower, the Project and the plan of finance and does not purport to be complete or comprehensive.

Among other matters, no information is provided or representation made in this Official Statement regarding the value of the site of the Project or the Project upon completion, the design of the Project, the feasibility of constructing the Project, the absorption rates for purchase or rental of units in the Project, or the results of operations of the Project after completion. The Borrower has not previously engaged in any other business operation and has no historical earnings and has no assets other than its interest in the Project. **Accordingly, the Bonds of each Subseries are offered solely on the basis of the related Letter of Credit and not on the basis of the credit of the Borrower, the value, feasibility or cash flow of the Project or any other security.**

The Project

The Project is a 299-unit mixed-use rental apartment development located on a 3.36 acre site, in which the Borrower holds a fee simple interest, in San Francisco's Potrero Hill neighborhood. The Project will consist of 238 (80%) market-rate residential apartments (the "Market Rate Component") and 60 (20%) below market rate residential apartments and 1 superintendent unit (the "Affordable Component"). The Market Rate Component will also include 9,439 square feet of commercial space (approximately 7,158 square feet of retail space and approximately 2,281 square feet of Production, Distribution and Repair space). Production, Distribution and Repair is a land use category in San Francisco that enables businesses engaged in these activities to maintain a local presence in San Francisco. Construction of the Project is expected to commence in July 2017 and to be completed by May 2019, followed by a lease-up period projected to last 10 months.

The Project will consist of two components, the East Building and the West Building, each of which is subject to independent permits. The East Building will be located at 210 Arkansas Street, San Francisco, CA 94107. The East Building will be wood frame above a concrete podium. The West Building will be located at 1601 Mariposa Street, San Francisco, CA 94107. The West Building will be wood frame above a combination of concrete podium and concrete slab on grade. All above grade units will be serviced by elevators. Total net rentable area will be approximately 244,904 square feet. The Project will include [249] parking spaces. The zoning is UMU-Urban Mixed Uses and the height limit is 40 feet. The architect of record is Ankrom Moisan Architects, Inc., which was founded in 1983 and has designed more the 2,100 housing units. The general contracts will be Nibbi Brothers, which has been active in the San Francisco Bay Area since its founding in 1950.

The Project will include 299 residential units. The unit mix will be as follows:

<u>Unit Type</u>	<u>Unit Count</u>	<u>Approx. Avg. Net SF Per Unit</u>
Studio – BMR*	15	465
Studio – Market Rate	60	467
1-Bedroom – BMR	18	643
1-Bedroom – Market Rate	68	695
2-Bedroom – BMR	23	932
2-Bedroom – Market Rate	95	1,065
3-Bedroom – BMR	4	1,295
<u>3-Bedroom – Market Rate</u>	<u>16</u>	<u>1,475</u>
Total	299	819

* “BMR” means “below market rate.”

The Plan of Finance

The Project will be funded with proceeds of the Bonds and other sources as identified below. The Borrower estimates construction sources to be as follows:

Series B-1 and B-2 Tax-Exempt Bonds	
Series B-3 Taxable Bonds	
LIHTC	
Total	_____

The Borrower estimates construction uses to be as follows:

Project Costs	
Capitalized Interest and Fees	
Costs of Issuance	
Soft Costs	
Developer Fee	
Total	_____

A portion of the Project is expected to be financed from equity from the sale of low-income housing tax credits (“LIHTC”) on a permanent basis. The Borrower will seek a tax credit equity investor following groundbreaking.

The Deed of Trust will secure the Mortgage Loan. See “SECURITY FOR THE BONDS – Deed of Trust and Bond Intercreditor Agreement.”

[Confirm that bond proceeds will fund all of the Project, including the commercial space.]

The Borrower and Affiliates

The Borrower, [Related/Mariposa Development Co., LP, is a California limited partnership] that was formed for the specific purpose of acquiring, developing, constructing and operating the Project. **As such, the Borrower has not previously engaged in any other business operation and has no historical earnings and has no assets other than its interest in the Project. Accordingly, it is**

expected that the Borrower will not have any sources of funds to make payments on the Mortgage Loan, other than revenues generated by the Project.

The Administrative General Partner of the Borrower is Related California Residential, LLC, a Delaware limited liability company. The Related Companies, L.P., a New York limited partnership, is the managing member of Related California Residential, LLC. Related California has completed more than 10,000 residences since its establishment in 1989.

The Managing General Partner is [TBD, LLC, a JURIS limited liability company]. [Affordable Housing Access (“AHA”)], a 501(c)(3) nonprofit public charity, is the [sole] member of the Managing General Partner. AHA’s executive team has more than 30 years of experience in apartments, affordable housing, real estate finance and development. AHA and its development partners have acquired, rehabilitated, and constructed more than 20,000 affordable housing apartments and homes through the Western United States.

Operating through an affiliated group of companies referred to collectively as “Related” or “Related Companies,” The Related Companies, L.P. has been active in real estate acquisition, development, financial services and property/asset management since 1972. Today, Related is a fully integrated real estate firm with expertise in acquisition/development, financial services and property/asset management, overseeing a real estate portfolio valued in excess of \$20 billion. Related’s principal offices are in New York City, New York; Irvine, California; San Francisco, California; Los Angeles, California; Chicago, Illinois; and Miami, Florida.

The Borrower is an affiliate of and is controlled by The Related Companies, L.P.

The Regulatory Agreement

Operation of the Project is subject to a Regulatory Agreement as described under the heading “THE REGULATORY AGREEMENT” in Appendix A hereto.

CERTAIN BONDOWNERS’ RISKS

General

The Bonds of each Subseries are offered solely on the basis of the related Letter of Credit and not on the basis of the credit of the Borrower, the value, feasibility or cash flow of the Project or any other security. Certain, limited information with respect to the Borrower and the Project has been included in this Official Statement; [however, the Borrower has not previously engaged in any other business operation and has no historical earnings and has no assets other than its interest in the Project.] Accordingly, investors should make any decision with respect to the purchase, holding or tender of the Bonds based solely upon the credit of the Bank. While the Indenture and the Loan Agreement obligate the Borrower to pay principal of and interest on the Bonds, in the event such principal or interest is not paid from amounts drawn upon the Letters of Credit, the Borrower may not have sufficient funds available for such purposes and the collateral and security for the Bonds may not be sufficient to provide for full payment of the Bonds. See “SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENTS AND THE LETTERS OF CREDIT” and “THE BANK.”

The Bonds may not be a suitable investment for all prospective purchasers. Prospective purchasers should consult their investment advisors before making any decisions as to the purchase of the Bonds. The following discussion, while not setting forth all the factors which must be considered,

contains some of the factors which should be considered prior to purchasing the Bonds. This discussion of risk factors is not, and is not intended to be, exhaustive.

The Letters of Credit and the Bank

Payment of the principal of and interest on the Bonds of a Subseries and the Purchase Price of such tendered and unremarketed Bonds, is supported by the related Letter of Credit. Payment under the Letters of Credit depends on the creditworthiness of the Bank. There can be no assurance that the Bank will maintain its present financial condition or that an adverse change in such condition will not adversely affect its ability to honor future drawings under the Letters of Credit. The creditworthiness of banks and other financial institutions are subject to numerous risks. See "THE BANK" herein.

The ratings of the Bonds will be dependent on the rating of the Bank. A downgrade of the credit of the Bank will result in a corresponding downgrading of the ratings on the Bonds. See "RATINGS" herein. While the Bonds bear interest at a Variable Rate, the Indenture permits the Borrower to substitute a Letter of Credit with a Substitute Letter of Credit or an Alternative Credit Facility meeting the requirements set forth in the Indenture provided that the related Bonds are subject to a mandatory tender for purchase prior to such substitution.

Pursuant to the Indenture and the Bond Intercreditor Agreement, so long as a Wrongful Dishonor has not taken place under a Letter of Credit nor has there occurred a Determination of Unenforceability with respect to such Letter of Credit, the Bank will control the exercise of rights and remedies by the Trustee under the Indenture or the Loan Agreement following any Event of Default; and any waiver of an Event of Default will be subject to the Bank's prior written consent. Furthermore, so long as a Wrongful Dishonor has not taken place under a Letter of Credit nor has there occurred a Determination of Unenforceability with respect to such Letter of Credit, no Event of Default under the Loan Agreement or the Indenture can effectively lead to the acceleration of the Bonds except at the direction of the Bank. However, see "THE BONDS – Redemption of the Bonds – Mandatory Redemption" herein for information regarding mandatory redemption of outstanding Bonds without the consent of the Bank. See also "THE INDENTURE – Defaults" and "– Remedies" in Appendix A hereto.

Unless extended, the Letters of Credit will expire as described therein. In the event that the Bank declines to extend the term of a Letter of Credit and an Alternate Credit Facility or a Substitute Letter of Credit cannot be obtained, the related Bonds will be subject to mandatory tender for purchase prior to the expiration date of such Letter of Credit. See "THE BONDS – Mandatory Tender on Termination or Expiration of Credit Facility" herein.

Limitations Relating to Remedies under the Deed of Trust

There are two methods of foreclosing on a deed of trust under California law, by nonjudicial sale and by judicial sale. Foreclosure under a deed of trust may be accomplished by a nonjudicial trustee's sale under the power of sale provision in the deed of trust. Prior to such sale, the trustee must record a notice of default and election to sell and send a copy to the trustor, to any person who has recorded a request for a copy of the notice of default and notice of sale, to any successor in interest of the trustor to the beneficiary of any junior deed of trust and to certain other parties discernable from the real property records. The trustee then must wait for the lapse of at least three months after the recording of the notice of default and election to sell before establishing the trustee's proposed sale date and giving a notice of sale (in a form mandated by California statutes). The notice of sale must be posted in a public place and published once a week for three consecutive calendar weeks, with the first such publication preceding the trustee's sale by at least 20 days. Such notice of sale must be posted on the property and sent, at least 20 days prior to the trustee's sale, to the trustor, to each person who has requested a copy, to any successor in

interest of the trustor, to the beneficiary of any junior deed of trust and to certain other parties discernable from the real property records. In addition, the notice of sale must be recorded with the county recorder at least 14 days prior to the date of sale. The trustor, any successor in interest of the trustor in the trust property, or any person having a junior lien or encumbrance of record may, during the statutory reinstatement period, cure any monetary default and reinstate the secured indebtedness by paying the entire amount of the debt then due under the terms of the deed of trust and the obligations secured thereby (exclusive of principal due by virtue of acceleration upon default) plus costs and expenses actually incurred in enforcing the obligation and certain statutorily limited attorneys' and trustee's fees. Following a nonjudicial sale, neither the trustor nor any junior lienholder has any right of redemption, and the beneficiary may not ordinarily obtain a deficiency judgment against the trustor.

Should foreclosure under a deed of trust be sought in the form of a judicial foreclosure, it is generally subject to most of the delays and expenses of other lawsuits, and may require several years to complete. The primary advantage of a judicial foreclosure is that the beneficiary is entitled, subject to other limitations, to obtain a deficiency judgment against the trustor to the extent that the amount of the debt is in excess of the fair market value of the property. Following a judicial foreclosure sale, the trustor or its successors in interest may redeem the property for a period of one year (or a period of only three months if the proceeds of sale are sufficient to satisfy the debt, plus interest and costs). In addition, in order to assure collection of any rents assigned as additional collateral under the Deed of Trust, a receiver for the encumbered property might need to be appointed by a court.

Limitations Relating to Remedies under the Indenture and the Bond Intercreditor Agreement

Notwithstanding anything to the contrary in the Indenture, neither the Trustee, the City nor the Bondowners shall, without the prior written consent of the Administrative Agent, take any action to accelerate any Bonds in an Event of Default under the Indenture or exercise or cause to be exercised any rights or remedies under the Deed of Trust so long as there is no Wrongful Dishonor of the applicable Credit Facility, nor has there occurred a Determination of Unenforceability with respect to such Credit Facility; provided, however, that the Administrative Agent will retain such consent right for any Bonds with respect to which the applicable Credit Provider has made any unreimbursed payments of principal, Purchase Price or interest, notwithstanding any subsequent Wrongful Dishonor or Determination of Unenforceability.

The Trustee's ability to pursue remedies against the Borrower after an Event of Default under the Indenture is subject to the Bond Intercreditor Agreement so long as there is no Wrongful Dishonor of any Credit Facility, nor has there occurred a Determination of Unenforceability. As a consequence, the rights of the Holders of the Bonds may be limited in important ways. See "SECURITY FOR THE BONDS – Deed of Trust and Bond Intercreditor Agreement."

The Book-Entry System

Under the Indenture, the Trustee is instructed to give notices and pay the principal of and interest on the Bonds to the Owners. So long as the Bonds are registered in the book-entry only system maintained by DTC, the Trustee is required to give such notices and to make such payments only to DTC. DTC is expected to forward (or cause to be forwarded) such notices and payments to the Beneficial Owners. None of the City, the Trustee, the Bank, the Remarketing Agent or the Borrower will have any responsibility or obligation to assure that any such notice or payment is forwarded by DTC to any Participants or by any Participant to any Beneficial Owner.

Tax-Exempt Status of Tax-Exempt Bonds

Failure to comply with certain continuing legal requirements, such as the requirement for the Borrower to comply with the requirements of the Loan Agreement, the Regulatory Agreement and the Tax Certificate, may cause interest on the Tax-Exempt Bonds to become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Tax-Exempt Bonds. The Indenture does not provide for the payment of any additional interest or penalty in such an event. The Tax-Exempt Bonds will be subject to mandatory redemption in whole or in part as soon as practicable following written notice from the City, the Borrower or Bond Counsel of a Determination of Taxability or to prevent a Determination of Taxability. See the information herein under the heading "THE BONDS – Redemption of the Bonds" herein.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, and Curls Bartling P.C., Oakland, California, Co-Bond Counsel, subject, however, to certain qualifications set forth below, under existing law, the interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes, except during any period while a Tax-Exempt Bond is held by a "substantial user" of the facilities financed by the Tax-Exempt Bonds or by a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Tax Code"). Interest on the Tax-Exempt Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations.

The opinions of Co-Bond Counsel are each subject to the condition that the City and the Borrower comply with certain requirements of the Tax Code that must be satisfied subsequent to the issuance of the Tax-Exempt Bonds. The City and the Borrower have covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Tax-Exempt Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Tax-Exempt Bonds.

The Tax Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Tax-Exempt Bonds. The City and the Borrower have made certain representations and covenanted to comply with certain restrictions designed to insure that interest on the Tax-Exempt Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Tax-Exempt Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Tax-Exempt Bonds. The opinions of Co-Bond Counsel each assumes the accuracy of these representations and compliance with these covenants. Co-Bond Counsel have not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Tax-Exempt Bonds may adversely affect the value of, or the tax status of interest on, the Tax-Exempt Bonds.

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

The form of the opinions of Co-Bond Counsel is set forth as Appendix D hereto.

Changes in Mode and Other Actions

The interest rate mode and certain requirements and procedures contained in or referred to in the Indenture, the Loan Agreement and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Tax-Exempt Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Co-Bond Counsel express no opinion as to any Tax-Exempt Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Jones Hall, A Professional Law Corporation, and Curls Bartling P.C.

Other Tax Matters

Although Co-Bond Counsel are of the opinion that interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Tax-Exempt Bonds may otherwise affect an Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner's other items of income or deduction. Co-Bond Counsel express no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Tax-Exempt Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Tax-Exempt Bonds. Prospective purchasers of the Tax-Exempt Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Co-Bond Counsel express no opinion.

UNDERWRITING

Citigroup Global Markets Inc. ("Citigroup") has agreed to purchase the Bonds at a price of 100% of the principal amount thereof. As consideration for its underwriting of the Bonds, Citigroup will be paid an aggregate fee at Bond Closing equal to \$_____ from which Citigroup will pay certain fees and expenses, including the fees and expenses of its counsel.

The Underwriter has committed to purchase all of the Bonds as described above if any of such Bonds are purchased and to use its best efforts to sell the Bonds. The Bonds are being offered for sale at the price set forth on the cover page of this Official Statement, which price may be lowered by the Underwriter from time to time without notice. The Bonds may be offered and sold to dealers, including the Underwriter and dealers acquiring Bonds for their own account or any account managed by them, at prices lower than the public offering prices.

The Borrower has agreed, pursuant to the Bond Purchase Agreement with the Underwriter, to indemnify the Underwriter and the City against certain liabilities relating to this Official Statement.

Citigroup Global Markets Inc., as underwriter of the Bonds, has entered into a retail distribution agreement with UBS Financial Services Inc. ("UBSFS"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS. As part of this arrangement, Citigroup Global Markets Inc. may compensate UBSFS for its selling efforts with respect to the Bonds.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, financing, market making, brokerage activities and other financial and non-financial activities and services. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the City for which they received or will receive customary fees and expenses.

In the ordinary course of its various business activities, the Underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the City. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

RATINGS

It is a condition to the issuance of the Bonds that S&P Global Ratings and Moody's Investors Service, Inc. (the "Rating Agencies") will have assigned ratings of "____" and "____," respectively, to the Bonds based upon the Letters of Credit. Any desired explanation of the significance of the ratings should be obtained from the respective Rating Agency. The ratings are not a recommendation to buy, sell, or hold the Bonds. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing the rating, circumstances so warrant. The City and the Underwriter have not undertaken responsibility to oppose any proposed revision or withdrawal of the ratings of the Bonds. Any such change in or withdrawal of such a rating could have an adverse effect on the market price of the Bonds if a registered owner attempts to sell the same.

MUNICIPAL ADVISOR

Ross Financial (the "Municipal Advisor") is serving as municipal advisor to the City with respect to its role as issuer of the Bonds. The Municipal Advisor does not underwrite or trade bonds and will not engage in any underwriting activities with regard to the issuance and sale of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification, or to assume responsibility for the accuracy, completeness or fairness, of the information contained in this Official Statement and is not obligated to review or ensure compliance with continuing disclosure undertakings.

ABSENCE OF MATERIAL LITIGATION

The City

[It is one of the several conditions to the Underwriter's obligation to accept the Bonds at closing that the City deliver a certificate stating among other things that, to the best knowledge of the City, there is no proceeding pending or threatened to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the issuance or sale thereof, the pledge or application of any money or securities provided for

the payment of the Bonds or the existence or powers of the City insofar as they relate to the authorization, sale and issuance of the Bonds or such pledge or application of money and securities.]

The Borrower

[There is no litigation now pending against the Borrower or, to the knowledge of officers of the Borrower, threatened, restraining or enjoining the issuance, sale, execution or delivery of the Bonds, the Indenture, the Loan Agreement, the Regulatory Agreement, the Letters of Credit, the Reimbursement Agreements or the Mortgage Note, or in any way contesting or affecting the validity of any of these documents or of any proceedings of the Borrower taken with respect to the issuance or sale of, or the pledge or application of any money or security provided for the payment of, the Bonds, the Letters of Credit or the Mortgage Note.

There is no litigation of any nature now pending against the Borrower or, to the knowledge of officers of the Borrower, threatened which, if successful, would materially adversely affect the operations or financial condition of the Borrower.]

CERTAIN LEGAL MATTERS

All legal matters in connection with the issuance of the Bonds are subject to the approval of Jones Hall, A Professional Law Corporation, San Francisco, California, and Curls Bartling P.C., Oakland, California, Co-Bond Counsel. Certain legal matters will be passed upon by Hawkins Delafield & Wood LLP, San Francisco, California, Disclosure Counsel to the City. Certain legal matters will be passed upon by Levitt & Boccio, LLP, New York, New York, Gibson, Dunn & Crutcher LLP, Los Angeles, California, and Cox Castle & Nicholson LLP, San Francisco, California, Co-Counsel to the Borrower and by Schiff Hardin LLP, New York, New York and Chapman and Cutler LLP, Chicago, Illinois, Co-Counsel to the Bank. Certain legal matters will be passed upon for the Underwriter by its counsel, Eichner Norris & Neumann PLLC, Washington, D.C., and any opinion of such firm will be rendered solely to the Underwriter will be limited in scope and cannot be relied upon by investors.

Fees and expenses of certain of the above mentioned counsel are contingent upon issuance of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by, among other matters, limitations imposed by the valid exercise of the constitutional powers of the State and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon or of the future performance of parties to such transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The remedies available to the bondholders upon a default under a related Letter of Credit, the Indenture, the Regulatory Agreement or the Loan Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the remedies provided in the Letters of Credit, the Indenture, the Regulatory Agreement or the Loan Agreement may not be readily available or may be limited.

CONTINUING DISCLOSURE

The City has determined that no financial or operating data concerning the City is material to an evaluation of the offering of the Bonds or to any decision to purchase, hold or sell Bonds and the City will not provide any such information. The Borrower has undertaken all responsibilities for any continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule"). The City will have no liability to the Holders of the Bonds or any other person with respect to the Rule.

The Borrower and the Trustee, as dissemination agent (the "Dissemination Agent") have entered into a Continuing Disclosure Agreement, dated as of the date of the Indenture (the "Continuing Disclosure Agreement"). The Continuing Disclosure Agreement obligates the Borrower to send, or cause to be sent, certain financial information with respect to the Project to the Municipal Securities Rulemaking Board and to provide notice, or cause notice to be provided, to the Municipal Securities Rulemaking Board upon the occurrence of certain enumerated events for the benefit of the Beneficial Owners and Holders of any of the Bonds. The form of the Continuing Disclosure Agreement is attached as Appendix F hereto. The Borrower has not entered into any other such undertaking with respect to the Rule.

A failure by the Borrower to comply with the provisions of the Continuing Disclosure Agreement will not constitute a default under the Indenture or the Loan Agreement (although Bondholders will have any available remedy at law or in equity). Nevertheless, such a failure to comply must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds.

MISCELLANEOUS

All of the summaries or descriptions of provisions of the Indenture, the Loan Agreement, the Reimbursement Agreements, the Letters of Credit and other documents are made subject to all of the provisions of law and such documents, and these summaries do not purport to be complete statements of such provisions. Reference is hereby made to such documents for further information in connection therewith. Copies of the aforementioned documents may be obtained from the Trustee.

Any statements herein involving matters of opinion or estimates, whether or not expressly so stated, are intended merely as such and not as representations of fact. This Official Statement is not to be construed as a contract with the purchasers of the Bonds.

[RELATED/MARIPOSA DEVELOPMENT CO., L.P.]

By: _____
Name: _____
Title: _____

APPENDIX A

DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL DOCUMENTS

The following is a summary of certain provisions of the Indenture, the Loan Agreement and the Regulatory Agreement. Such summaries do not purport to be complete and reference is made to the actual documents, available from the Trustee, for a complete statement of their provisions.

APPENDIX B
FORMS OF LETTERS OF CREDIT

APPENDIX C

BOOK-ENTRY SYSTEM

The following information regarding DTC and DTC's book-entry system has been extracted from information provided by DTC.

The information in this Appendix C concerning The Depository Trust Company ("DTC") and DTC's book entry system has been obtained from DTC and the City, the Borrower, the Underwriter and the Trustee take no responsibility for the completeness or accuracy thereof. The City cannot and does not give any assurances 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 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the 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.

The Depository Trust Company ("DTC") will act as securities depository for the Bonds. The Bonds 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 Bond certificate will be issued for each Subseries of Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC 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 is rated "AA+" by Standard & Poor's. 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; nothing contained in such websites is incorporated into this Official Statement.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 Bonds 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 Bonds, except in the event that use of the book entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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.

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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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.

Redemption notices shall be sent to DTC. If less than all of the Bonds 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, premium, if any, and interest on the Bonds 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 the Borrower or the Trustee, 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, the Trustee, the City or the Borrower, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Borrower or the Trustee, 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.

THE CITY, THE BORROWER, THE UNDERWRITER AND THE TRUSTEE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OR THE SELECTION OF BONDS FOR PREPAYMENT.

None of the City, the Borrower, the Underwriter or the Trustee can give any assurances that DTC, DTC Participants, Indirect Participants or others will distribute payments of principal of, premium, if any, and interest on the Bonds paid to DTC or its nominee, as the registered Owner, or any redemption or other notice, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in a manner described in this Official Statement.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The Borrower may decide to discontinue use of the system of book entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book entry system has been obtained from DTC, but the City, the Borrower, the Trustee and the Underwriter take no responsibility for the accuracy thereof.

APPENDIX D
FORM OF OPINIONS OF CO-BOND COUNSEL

APPENDIX E
FORM OF TENDER NOTICE
(WEEKLY RATE / DAILY RATE BONDS)

Relating to

CITY AND COUNTY OF SAN FRANCISCO
VARIABLE RATE MULTIFAMILY HOUSING REVENUE BONDS
(1601 MARIPOSA APARTMENTS)
2017 SERIES B

\$[Series B-1 Par]*
2017 Series B-1

\$[Series B-1 Par]*
2017 Series B-2

\$[Series B-3 Par]*
2017 Series B-3
(Taxable)

U.S. Bank National Association,
as Trustee

as Remarketing Agent

The undersigned is the beneficial owner of certain of the above-captioned Bonds. The undersigned hereby irrevocably demands payment of \$_____ aggregate principal amount of the 2017B-___ Bonds (which amount is an integral multiple of \$5,000 equal to or in excess of \$100,000) and, if the date of purchase is not an Interest Payment Date, accrued interest thereon to such date of purchase (the "Purchase Price"). If the foregoing represents the tender of a Bond in part only, the remaining part is also an Authorized Denomination. An SDFS Deliver Order has been or is being entered at DTC simultaneously with this notice.

Payment of the Purchase Price shall be made by wire transfer of immediately available funds to Account No. _____ at DTC. Payment shall occur on _____, 20__ (the "Demand Date"), which is a Business Day (as defined in the Indenture pursuant to which the Bonds were issued) on or prior to a Conversion Date [*add for Weekly Rate Bonds: but at least seven days after the Business Day this demand is delivered*][*add for Daily Rate Bonds: but at least one Business Day after the Business Day this demand is delivered, if this demand is delivered after 11:00 a.m. New York City time*].

The undersigned hereby authorizes and directs the Remarketing Agent to arrange for the sale of all or any part of the Bonds at not less than par (plus accrued interest to the Demand Date if the Demand Date is other than an Interest Payment Date). In the event of such a sale, payment of the Purchase Price of the Bonds shall be made on the Demand Date as hereinabove provided.

THE UNDERSIGNED RECOGNIZES THAT THIS TENDER OF THE BONDS IS IRREVOCABLE AND, THEREFORE, THAT FROM AND AFTER THE DUE AND PROPER EXECUTION OF THIS PURCHASE DEMAND AND ITS DELIVERY TO THE TRUSTEE AND THE

REMARKETING AGENT, THE UNDERSIGNED SHALL HAVE NO FURTHER RIGHTS OR INTERESTS IN AND TO THE TENDERED BONDS OTHER THAN THE RIGHT TO RECEIVE PAYMENT OF THE PURCHASE PRICE OF THE TENDERED BONDS ON THE DEMAND DATE FROM THE MONEY IN THE FUNDS AND ACCOUNTS ESTABLISHED WITH AND HELD BY THE TRUSTEE FOR SUCH PURPOSE. THE UNDERSIGNED FURTHER ACKNOWLEDGES THAT THE PURCHASE PRICE OF THE TENDERED BONDS WILL BE PAID TO DTC, AS REGISTERED OWNER OF THE BONDS, AND NOT TO THE BENEFICIAL OWNER.

THE UNDERSIGNED IRREVOCABLY APPOINTS THE TRUSTEE AS DULY AUTHORIZED ATTORNEY AND DIRECTS THE TRUSTEE TO EFFECT THE TRANSFER OF SUCH BENEFIT(S), OR, IN THE CASE OF ANY BOND ONLY A PORTION OF WHICH IS TENDERED FOR PURCHASE, TO EXCHANGE SUCH BOND INTO (I) BOND(S) REPRESENTING THAT PORTION OF THE BOND TO BE PURCHASED AND (II) BOND(S) REPRESENTING THAT PORTION OF THE BOND NOT TO BE PURCHASED, EACH IN FULLY REGISTERED FORM AND IN AUTHORIZED DENOMINATIONS, REGISTERED IN THE SAME NAME(S) AS THE BOND(S) TENDERED FOR PURCHASE ON THE DEMAND DATE.

Dated:

Signature(s) of Registered Owner(s) or beneficial owner(s)
of the Tendered Bonds

(Street) (City) (State) (Zip)

((Area Code) Telephone Number)

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

CITY AND COUNTY OF SAN FRANCISCO
VARIABLE RATE MULTIFAMILY HOUSING REVENUE BONDS
(1601 MARIPOSA APARTMENTS)
2017 SERIES B

[\$[Series B-1 Par]*
2017 Series B-1
(Weekly Variable Rate)

[\$[Series B-1 Par]*
2017 Series B-2
(Weekly Variable Rate)

[\$[Series B-3 Par]*
2017 Series B-3
(Taxable Weekly Variable Rate)

This Continuing Disclosure Agreement, dated as of July 1, 2017 (this “Continuing Disclosure Agreement”), is executed and delivered by _____ (the “Borrower”) and U.S. Bank National Association, as dissemination agent (the “Dissemination Agent”) for the above-captioned Bonds. The Bonds are being issued pursuant to an Indenture of Trust, dated as of July 1, 2017 (the “Indenture”) between the City and County of San Francisco (the “Issuer”) and U.S. Bank National Association, as trustee (the “Trustee”). Simultaneously with the issuance of the Bonds, there will be executed and delivered a Loan Agreement, dated as of the date of the Indenture (the “Loan Agreement”), by and among the Issuer, the Trustee and the Borrower, pursuant to which the Issuer will loan the proceeds of the Bonds to the Borrower (the “Mortgage Loan”) for the purpose of financing the construction and development of a multifamily rental housing development known as the 1601 Mariposa Apartments (the “Project”). Pursuant to the Indenture and the Loan Agreement, the Dissemination Agent and the Borrower covenant and agree as follows:

Section 1. Purpose of the Continuing Disclosure Agreement. This Continuing Disclosure Agreement is being executed and delivered by the Borrower and the Dissemination Agent for the benefit of the Bondholders and in order to assist the Underwriter in complying with the Rule (defined below). The Borrower and the Dissemination Agent acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Continuing Disclosure Agreement, and has no liability to any Person, including any holder of the Bonds or Beneficial Owner, with respect to any such reports, notices or disclosures.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Continuing Disclosure Agreement.

“Audited Financial Statements” means, in the case of the Borrower, the annual audited financial statements of the Borrower prepared in accordance with generally accepted accounting principles, if any.

“Beneficial Owner” shall mean any Person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including Persons holding Bonds

through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Disclosure Representative” shall mean, with respect to the Borrower, the administrator of the Project or his or her designee, or such other Person as the Borrower shall designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean U.S. Bank National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with the Trustee a written acceptance of such designation.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Continuing Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934. All documents provided to the MSRB shall be in an electronic format and accompanied by identifying information, as prescribed by the MSRB. Initially, all document submissions to the MSRB pursuant to this Continuing Disclosure Agreement shall use the MSRB’s Electronic Municipal Market Access (EMMA) system at www.emma.msrb.org.

“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.

“Underwriter” means Citigroup Global Markets Inc., and its successors and assigns.

Section 3. Provision of Annual Reports. (a) The Borrower will, or will cause the Dissemination Agent to, not later than 180 days following the end of the Borrower’s fiscal year, commencing with the fiscal year ending on [December 31], 2017, provide to the MSRB an Annual Report which is consistent with the requirements described below. No later than 15 Business Days prior to said date, the Borrower will provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross reference other information, provided that the audited financial statements for the prior calendar year of the Borrower may be submitted separately from the balance of its Annual Report.

(b) If by 15 Business Days prior to the date specified in subsection (a) for providing an Annual Report to the MSRB, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent will contact the Disclosure Representative to determine if the Borrower is in compliance with subsection (a).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent will send a notice to the MSRB in substantially the form attached as Exhibit B to this Continuing Disclosure Agreement.

(d) The Dissemination Agent will file a report with the Borrower and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement, stating the date it was provided.

Section 4. Content of Annual Reports. The Borrower’s Annual Report will contain or incorporate by reference the financial information or operating data with respect to the Project, provided at least annually, of the type included in Exhibit A hereto, which Annual Report may, but is not required

to, include Audited Financial Statements. If the Borrower's audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report will contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements will be filed in the same manner as the Annual Report when they become available.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Borrower is an "Obligated Person" (as defined by the Rule), which have been filed with the MSRB. The Borrower will clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events. (a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events (each, a "Listed Event"):

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulty;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulty;
- (v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) 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 Bonds, or other material events affecting the tax status of the Tax-Exempt Bonds;

- (vii) Modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the Borrower. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. 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 Borrower, 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 Borrower;

(xiii) The consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, 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; and

(xiv) Appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material.

(b) The Borrower shall, within seven (7) Business Days of the occurrence of any of the Listed Events, provide to the Dissemination Agent a written notice describing the Listed Event and written direction to the Dissemination Agent to file the Borrower's notice describing the Listed Event pursuant to subsection (c) of this Section 5. In determining the materiality of any of the Listed Events specified in clauses (ii), (vi), (vii), (viii), (x), (xiii), or (xiv) of subsection (a) of this Section 5, the Borrower may, but shall not be required to, rely conclusively on an Opinion of Counsel. The Dissemination Agent shall have no obligation under this Continuing Disclosure Agreement to determine the materiality of any of the Listed Events specified in subsection (a) of this Section 5, which obligation shall rest solely with the Borrower, or to monitor the Borrower's obligation to provide notification of the occurrence of any such Listed Events.

(c) If the Dissemination Agent has been instructed by the Borrower to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB within three (3) Business Days of the receipt of such instruction, but in no event later than ten (10) Business Days after the occurrence of a Listed Event, with a copy of such notice provided by the Dissemination Agent to the Borrower, the Issuer and the Trustee. In addition, notice of Listed Events described in subsections (a)(viii) and (ix) of this Section 5 shall be given by the Dissemination Agent under this subsection simultaneously with the giving of the notice of the underlying event to the Bondholders of the affected Bonds pursuant to the Indenture.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Borrower and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the Dissemination Agent will agree to any amendment so requested by the Borrower unless such amendment adversely affects the Dissemination Agent's rights, duties, protections, immunities, indemnities or standard of care, as determined by the Dissemination Agent) and any provision of this Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions described under paragraph (a) under "Provision of Annual Reports," "Contents of Annual Reports" or paragraph (a) under "Reporting of Listed Events," 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 the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Bondholders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Bondholders or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Borrower will describe such amendment in the next Annual Report and will include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change will be given in the same manner as for a Listed Event under Section 5(f) hereof and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Default. In the event of a failure of the Borrower or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement, the Dissemination Agent may (and, at the request of the Underwriter or the Bondholders of at least 25% aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction, will), or the Borrower or any Holder or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking, or specific performance by court order, to cause the Borrower or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement will not be deemed an Event of Default under the Indenture or the Loan Agreement, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Continuing Disclosure Agreement will be an action to compel performance.

Section 8. Beneficiaries. This Continuing Disclosure Agreement will inure solely to the benefit of the Borrower, the Trustee, the Dissemination Agent, the Underwriter and Bondholders from time to time of the Bonds and will create no rights in any other Person or entity.

Section 9. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement 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 Continuing Disclosure Agreement. If the Borrower 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 Continuing Disclosure Agreement, the Borrower shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Duties, Immunities and Liabilities of Dissemination Agent. Article VIII of the Indenture is hereby made applicable to this Continuing Disclosure Agreement as if this Continuing Disclosure Agreement were (solely for this purpose) contained in the Indenture and the Dissemination Agent shall be entitled to the same protections, limitations from liability and indemnities afforded the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and the Borrower agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their rights, obligations, powers and duties hereunder, including the costs and expenses (including reasonable attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Borrower under this Section shall survive the termination of this Continuing Disclosure Agreement, the resignation or removal of the Dissemination Agent and payment of the Bonds. 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

Borrower, the Bondholders, or any other party. The Dissemination Agent shall have no liability to the Bondholders or any other party for any monetary damages or financial liability of any kind whatsoever related to or arising from the breach of this Continuing Disclosure Agreement.

The Dissemination Agent agrees to disseminate the information provided to it hereunder in the form delivered by the Borrower. The Dissemination Agent is acting hereunder solely in an agency capacity and as such is merely a conduit for the Borrower, and shall have no liability or responsibility for the form, content, accuracy or completeness of any information furnished hereunder. Any such information may contain a legend to that effect.

The Dissemination Agent shall have no obligation to make disclosure concerning the Bonds, the Project or any other matter except as expressly set out herein, provided that no provision of this Continuing Disclosure Agreement shall limit the duties, trusts, rights, powers or obligations of the Trustee under the Indenture. The fact that the Trustee has or may have any banking, fiduciary or other relationship with the Borrower or any other party in connection with the Project or otherwise, apart from the relationship created by the Indenture and this Continuing Disclosure Agreement, shall not be construed to mean that the Trustee has knowledge or notice of any event or condition relating to the Bonds or the Project except in its respective capacities under such agreements.

No provision of this Continuing Disclosure Agreement shall require or be construed to require the Borrower or the Dissemination Agent to interpret or provide an opinion concerning any information disclosed hereunder.

The Annual Report may contain such disclaimer language as the Borrower may deem appropriate. Any information disclosed hereunder by the Dissemination Agent may contain such disclaimer language as the Dissemination Agent may deem appropriate.

The Borrower hereby agrees to compensate the Dissemination Agent for the services provided and the expenses incurred pursuant to this Continuing Disclosure Agreement, in an amount to be agreed upon from time to time hereunder, and to reimburse the Dissemination Agent upon its request for all reasonable expenses, disbursements and advances incurred by the Dissemination Agent hereunder (including any reasonable compensation and expenses of counsel) except any such expense, disbursement or advance that may be attributable to its negligence or willful misconduct.

The Dissemination Agent may consult with counsel of its choice and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon, it being understood that for purposes of this provision, that such counsel may be counsel to the Borrower.

No provision of this Continuing Disclosure Agreement shall require the Dissemination Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

Section 11. Notices. Any notices or communications to or among any of the parties to this Continuing Disclosure Agreement may be given at the addresses set forth in the Indenture. Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices of communications should be sent, effective only upon receipt.

Section 12. Governing Law. This Continuing Disclosure Agreement shall be governed by the laws of the State of California.

Section 13. Termination of this Continuing Disclosure Agreement. The Borrower or the Dissemination Agent may terminate this Continuing Disclosure Agreement by giving written notice to the other party at least 30 days prior to such termination. The Dissemination Agent shall be fully discharged at the time any such termination is effective. Also, this Continuing Disclosure Agreement shall terminate automatically upon payment or provision for payment of the Bonds.

Section 14. Counterparts. This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[RELATED/MARIPOSA DEVELOPMENT CO., L.P.]

By _____
Its _____

U.S. BANK NATIONAL ASSOCIATION,
as Dissemination Agent

By _____
Its _____

EXHIBIT A

ANNUAL REPORT

OFFICIAL STATEMENT

**CITY AND COUNTY OF SAN FRANCISCO
VARIABLE RATE MULTIFAMILY HOUSING REVENUE BONDS
(1601 MARIPOSA APARTMENTS)
2017 SERIES B**

**[\$[Series B-1 Par]*
2017 Series B-1
(Weekly Variable Rate)**

**[\$[Series B-1 Par]*
2017 Series B-2
(Weekly Variable Rate)**

**[\$[Series B-3 Par]*
2017 Series B-3
(Taxable Weekly Variable Rate)**

THE PROJECT

Name: _____
Address: _____
Number of Units _____
Percentage of Units Occupied as of Report Date _____

OPERATING HISTORY OF THE PROJECT

The following table sets forth a summary of the operating results of the Project for fiscal year ended _____, as derived from the Borrower's [un]audited financial statements.

Revenues
Operating Expenses**
Net Operating Income
Debt Service on the Loan
Net Operating Income/(Loss)
After Debt Service
The average occupancy of the Project for the fiscal year ended [____] was [____] %.

** Excludes depreciation and other non-cash expenses, includes management fee.

EXHIBIT B

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF
FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: City and County of San Francisco
Name of Bond Issue: City and County of San Francisco
Variable Rate Multifamily Housing Revenue Bonds
(1601 Mariposa Apartments)
2017 Series B
Name of Borrower: _____
Date of Issuance: _____, 2017

NOTICE IS HEREBY GIVEN that the above-referenced borrower (the "Borrower") has not provided an Annual Report in connection with the above-captioned bonds (the "Bonds") as required by a Indenture of Trust, dated as of July 1, 2017 (the "Indenture"), between the above-named Issuer (the "Issuer") and U.S. Bank National Association, as trustee (the "Trustee") and the Loan Agreement, dated as of the date of the Indenture (the "Loan Agreement"), by and among the Issuer, the Trustee and the Borrower. The undersigned has been informed by the Borrower that it anticipates that the Annual Report will be filed by _____.

Dated:

U.S. Bank National Association,
as Dissemination Agent

By _____
Its _____

cc: Borrower

No Fee Recording pursuant to
Government Code Section 27383

WHEN RECORDED RETURN TO:

Jones Hall, A Professional Law Corporation
475 Sansome Street, Suite 1700
San Francisco, California 94111
Attention: Ron Lee, Esq.

APNs: Block: 4005; Lots: 001B & 004

Block: 4006: Lots: 006, 007, 010, 019 & 020

Address: 1601 and 1677 Mariposa Street, 485-497 Carolina Street, 395 and 420 Wisconsin Street
and 210 Arkansas Street, San Francisco, California

**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**

by and between the

CITY AND COUNTY OF SAN FRANCISCO

and

**Related/Mariposa Development Co., L.P.,
a [Delaware] limited partnership**

Dated as of July 1, 2017

**Relating to:
City and County of San Francisco
Variable Rate Multifamily Housing Revenue Bonds
(1601 Mariposa Apartments)
2017 Series B**

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REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

This **REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS** (the "Regulatory Agreement") is made and entered into as of July 1, 2017, by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, and chartered city and county, duly organized and validly existing under the laws of the State of California (together with any successor to its rights, duties and obligations, the "City"), Related/Mariposa Development Co., L.P., a [Delaware] limited partnership (the "Owner"), owner of a fee interest in the land described in Exhibit A attached hereto.

RECITALS

A. WHEREAS, pursuant to the Charter of the City, Article I of Chapter 43 of the Administrative Code of the City and County of San Francisco Municipal Code and Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, as now in effect and as may be subsequently amended or supplemented (collectively, the "Act"), the City is authorized to issue revenue notes and bonds to make loans to any person in order to finance the acquisition, construction and development of multifamily rental housing; and

B. WHEREAS, the Board of Supervisors of the City has authorized the issuance of multifamily mortgage revenue bonds, in one or more series, under the Act in connection with the acquisition and construction of a 299-unit mixed-income multifamily residential rental housing project located on the site described in Exhibit A hereto and to be known as 1601 Mariposa Apartments (the "Project"), which Project shall be subject to the terms and provisions hereof; and

C. WHEREAS, in furtherance of the purposes of the Act and as a part of the City's plan of financing affordable housing, the City is issuing its revenue bonds designated "City and County of San Francisco Variable Rate Multifamily Revenue Bonds (1601 Mariposa Apartments), 2017 Series B" (the "Bonds") pursuant to terms of an Indenture of Trust (the "Indenture") of even date herewith between the City and U.S. Bank National Association, as trustee (the "Trustee"), the proceeds of which are being used by the City to make a loan to the Owner (the "Loan") pursuant to the Loan Agreement of even date herewith (the "Loan Agreement") by and among the City, the Trustee and the Owner. The proceeds of the Loan shall be used to finance the acquisition and construction of the Project; and

D. WHEREAS, the City hereby certifies that all things necessary to make the Bonds, when issued as provided in the Indenture, the valid, binding and limited obligations of the City have been done and performed, and the execution and delivery of the Indenture and Loan Agreement and the issuance of the Bonds, subject to the terms thereof, in all respects have been duly authorized; and

E. WHEREAS, the Code (as hereinafter defined) and the regulations and rulings promulgated with respect thereto and the Act prescribe that the use and operation of the Project be restricted in certain respects and in order to ensure that the Project will be acquired, constructed, equipped, used and operated in accordance with the Code and the Act, the City and the Owner have determined to enter into this Regulatory Agreement in order to set forth certain terms and conditions relating to the acquisition, construction and operation of the Project.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the City and the Owner agree as follows:

1. Definitions and Interpretation. Capitalized terms used herein have the meanings assigned to them in this Section 1, unless the context in which they are used clearly requires otherwise:

“Act” - The Charter of the City, Article I of Chapter 43 of the Administrative Code of the City and County of San Francisco Municipal Code and Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented.

“Adjusted Income” - The adjusted income of a person (together with the adjusted income of all persons of the age of 18 years or older who intend to reside with such person in one residential unit) as calculated in the manner prescribed pursuant to Section 8 of the Housing Act, or, if said Section 8 is terminated, as prescribed pursuant to said Section 8 immediately prior to its termination or as otherwise required under Section 142 of the Code and the Act.

“Administrative General Partner” – Mariposa Holdco, LLC, a _____ limited liability company, and/or any other Person that the partners of Owner have selected to be an administrative general partner of Owner, and any successor administrative general partner of the Owner, in accordance with the Partnership Agreement and to the extent permitted under the Loan Documents and hereunder.

“Affiliated Party” - (a) a Person whose relationship with an Owner would result in a disallowance of losses under Section 267 or 707(b) of the Code, (b) a Person who together with an Owner are members of the same controlled group of corporations (as defined in Section 1563(a) of the Code, except that “more than 50 percent” shall be substituted for “at least 80 percent” each place it appears therein), (c) a partnership and each of its partners (and their spouses and minor children) whose relationship with an Owner would result in a disallowance of losses under Section 267 or 707(b) of the Code, and (d) an S corporation and each of its shareholders (and their spouses and minor children) whose relationship with an Owner would result in a disallowance of losses under Section 267 or 707(b) of the Code.

“Affordable Project” – A portion of the Project consisting of all of the Restricted Units (i.e. the sixty (60) Very Low Income Units or DRS Units, plus one (1) manager’s unit).

“Affordable Project Lease Agreement” – The air rights parcel lease, in a form satisfactory to the City pursuant to Section 6(i) hereof, by and between the Owner and the Affordable Project Lessee leasing, on or around the completion of construction of the Project, the Affordable Project to the Affordable Project Lessee.

“Affordable Project Lessee” - Mariposa Housing Partners, L.P., a Delaware limited partnership.

“Area” - The HUD Metro Fair Market Rent Area (HMFA), or successor area determined by HUD, in which the Project is located.

“Authorized Owner Representative” - Any person who at the time and from time to time may be designated as such, by written certificate furnished to the City and the Trustee containing the specimen signature of such person and signed on behalf of the Owner by its Managing General Partner, which certificate may designate an alternate or alternates.

“Available Units” - Residential units in the Project (except for not more than one (1) unit set aside for resident managers) that are actually occupied and residential units in the Project that are vacant and have been occupied at least once after becoming available for occupancy, provided that (a) a residential unit that is vacant on the later of (i) the date the construction of the Project is completed or (ii) the date of execution and delivery of the Bonds is not an Available Unit and does not become an Available Unit until it has been occupied for the first time after such date, and (b) a residential unit that is not available for occupancy due to renovations is not an Available Unit and does not become an Available Unit until it has been occupied for the first time after the renovations are completed.

“Bonds” - \$_____ City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B executed and delivered pursuant to the Indenture, consisting of the following three (3) subseries: 2017 Series B-1, 2017 Series B-2 and 2017 Series B-3 (Federally Taxable).

“CDLAC” - The California Debt Limit Allocation Committee.

“CDLAC Requirements” - The requirements described in Section 7 of this Regulatory Agreement.

“CDLAC Resolution” - The resolution described in Section 7 of this Regulatory Agreement.

“Certificate of Continuing Program Compliance” - The Certificate with respect to the Project to be executed and filed by an Authorized Owner Representative or by the Affordable Project Lessee with the City and the Program Administrator, which shall be substantially in the form attached to this Regulatory Agreement as Exhibit D or such other form as is provided by the City.

“Certificate of Preference” - A residential Certificate of Preference issued by the City pursuant to the City’s Certificate of Preference Program.

“City” - The City and County of San Francisco, California.

“City Median Income” - The “Maximum Income by Household Size” derived by the Mayor’s Office of Housing and Community Development and published annually, based on the unadjusted area median income for the Area, as determined annually by HUD in a manner consistent with determinations of area median gross income under Section 8 of the Housing Act and Section 3009a of the Housing and Economic Recovery Act of 2008 or, if said Section 8 is terminated, as prescribed pursuant to said Section 8 immediately prior to its termination, and being adjusted for family size but unadjusted for high housing costs.

“Closing Date” - The date of the issuance of the Bonds, being _____, 2017.

“Code” - The Internal Revenue Code of 1986, as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations

issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Commercial Space” - Approximately 9,439 square feet of commercial space of the Project.

“Completion Certificate” - The certificate of completion of the construction of the Project required to be executed by an Authorized Owner Representative and delivered to the City, with a copy to the Trustee, by the Owner pursuant to Section 2(d) of this Regulatory Agreement, which shall be substantially in the form attached to this Regulatory Agreement as Exhibit C.

“Completion Date” - The date of completion of the construction of the Project, as that date shall be certified as provided in Section 2(d) of this Regulatory Agreement.

“CTCAC” - The California Tax Credit Allocation Committee.

“DRS Unit” - as defined in Section 4(a) hereof.

“DRS Tenant” - as defined in Section 4(a) hereof.

“Facilities” - The multifamily buildings, structures and other improvements on the Site to be acquired, developed, constructed, improved, and equipped with [proceeds of the Loan], and all fixtures and other property owned by the Owner and located on the Site, or used in connection with, such buildings, structures and other improvements. [The Facilities do not include the Commercial Space.]

“General Partner” - Collectively, (i) the Administrative General Partner; (ii) the Managing General Partner; and/or (iii) any other Person that the partners of Owner have admitted as a general partner in accordance with the Partnership Agreement, and any successor general partner of the Owner, to the extent permitted under the Loan Documents and hereunder.

“Housing Act” - 42 U.S.C. § 1437, known as the United States Housing Act of 1937, as amended.

“Housing Law” - Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, as amended.

“HUD” - The United States Department of Housing and Urban Development, its successors and assigns.

“Income Certification Form” - A fully completed and executed Income Certification Form substantially in the form designated in Exhibit B, or such other form as may be provided by the City.

“Indenture” - is defined in Recital C.

“Inducement Date” - _____, 2017, the effective date of the Inducement Resolution.

“Inducement Resolution” - Resolution No. ___-___ adopted by the Board of Supervisors of the City and approved by the Mayor of the City on the Inducement Date, indicating its intention to issue Bonds to finance a portion of the Project.

“Loan” - The loan of the proceeds of the Bonds made to the Owner pursuant to the Loan Agreement to provide financing for the acquisition and construction of the Project.

“Loan Agreement” - The Loan Agreement of even date herewith between the City and the Owner, pursuant to which the Loan was made.

“Loan Documents” – Together, the Loan Agreement and the Indenture.

“Managing General Partner” - _____, and/or any other Person that the partners of Owner have selected to be a managing general partner of Owner in accordance with the Partnership Agreement, and any successor managing general partner of the Owner, to the extent permitted under the Loan Documents and hereunder.

“Market Rate Units” - The residential units in the Project that are not Restricted Units.

“Median Income for the Area” - The median gross income for the Area, as determined in a manner consistent with determinations of area median gross income under Section 8 of the Housing Act and Section 3009a of the Housing and Economic Recovery Act of 2008 (Pub.L. 110-289, 122 Stat 2654) or, if said Section 8 is terminated, as prescribed pursuant to said Section 8 immediately prior to its termination or as otherwise required under Section 142 of the Code and the Act, including adjustments for household size.

“Mortgage” - The Deed of Trust (as defined in the Indenture).

“Mortgagee” - Bank of America N.A. as lender and administrative agent for the other lenders with respect to the letter of credit obligations and U.S. Bank National Association, as trustee, with respect to the Loan.

“Notice of Special Restrictions” – Collectively, the Notice of Special Restrictions Under The Planning Code executed December 9, 2016, by Related/Mariposa Development Co., LLC, an affiliate of Owner, and recorded December 23, 2016 (2016K388025) relating to the Site, the Notice of Special Restrictions Under The Planning Code executed December 9, 2016, by Related/Mariposa Development Co., LLC and recorded December 23, 2016 (2016K388026), and the Notice of Special Restrictions Under The Planning Code executed January 24, 2017, by Related/Mariposa Development Co., LLC and recorded January 26, 2017 (2017-K401779-00).

“Owner” - Related/Mariposa Development Co., L.P., a [Delaware] limited partnership, its successors and assigns.

“Partnership Agreement” - The [Amended and Restated] Partnership Agreement of the Owner, by and among the Administrative General Partner and Managing General Partner.

“Permitted Encumbrances” - Has the definition given to it in the Mortgage.

“Program Administrator” - A governmental agency, a financial institution, a certified public accountant, an apartment management firm, a mortgage insurance company or other business entity performing similar duties or otherwise experienced in the administration of restrictions on bond financed multifamily housing projects, which shall be the City initially and, at the City’s

election, any other person or entity appointed by the City who shall enter into an administration agreement in a form acceptable to the City.

“Project” - The Facilities and the Site, as further described in Recital B.

“Project Costs” - To the extent authorized by the Code, the Regulations and the Act, any and all costs incurred by the Owner with respect to the acquisition, development and construction of the Project, whether paid or incurred prior to or after the Inducement Date, including, without limitation, costs for site preparation, the planning of housing and related facilities and improvements, the acquisition of property, the removal or demolition of existing structures, the construction of housing and related facilities and improvements, and all other work in connection therewith, and all costs of financing, including, without limitation, the cost of consultant, accounting and legal services, other expenses necessary or incident to determining the feasibility of the Project, contractor’s and Owner’s overhead and supervisors’ fees and costs directly allocable to the Project, administrative and other expenses necessary or incident to the Project and the financing thereof (including reimbursement to any municipality, county or entity for expenditures made for the Project), and interest accrued during construction and prior to the Completion Date.

“Qualified Project Costs” - Project Costs paid with respect to the Project that meet each of the following requirements: (i) the costs are properly chargeable to the capital account (or would be so chargeable with a proper election by the Owner or but for a proper election by the Owner to deduct such costs) in accordance with general Federal income tax principles and in accordance with United States Treasury Regulations §1.103-8(a)(1), provided, however, that only such portion of interest accrued during rehabilitation or construction of the Project (in the case of rehabilitation, with respect to vacated units only) shall be eligible to be a Qualified Project Cost as bears the same ratio to all such interest as the Qualified Project Costs bear to all Project Costs; and provided further that interest accruing after the date of completion of the Project shall not be a Qualified Project Cost; and provided still further that if any portion of the Project is being constructed or rehabilitated by an Affiliate or persons or entities treated as related to the Owner within the meaning of Sections 1504, 267 and 707 of the Code (whether as a general contractor or a subcontractor), Qualified Project Costs shall include only (A) the actual out-of-pocket costs incurred by such Affiliate in constructing or rehabilitating the Project (or any portion thereof), (B) any reasonable fees for supervisory services actually rendered by the Affiliate, and (C) any overhead expenses incurred by the Affiliate which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the rehabilitation or construction of the Project or payments received by such Affiliate due to early completion of the Project (or any portion thereof); (ii) the costs are paid with respect to a qualified residential rental project or projects within the meaning of Section 142(d) of the Code, (iii) the costs are paid after the earlier of 60 days prior to the date of a declaration of “official intent” to reimburse costs paid with respect to the Project (within the meaning of §1.150-2 of the United States Treasury Regulations) or the date of issue of the Tax-Exempt Bonds, and (iv) if the Project Costs were previously paid and are to be reimbursed with proceeds of the Tax-Exempt Bonds such costs were (A) costs of issuance of the Tax-Exempt Bonds, (B) preliminary capital expenditures (within the meaning of United States Treasury Regulations §1.150-2(f)(2)) with respect to the Project (such as architectural, engineering and soil testing services) incurred before commencement of acquisition or construction of the Project that do not exceed twenty percent (20%) of the issue price of the Tax-Exempt Bonds (as defined in United States Treasury Regulations §1.148-1), or (C) were capital expenditures with respect to the Project that are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid

or the date the Project is placed in service (but no later than three (3) years after the expenditure is paid).

“Qualified Project Period” - The period beginning on the later of the Closing Date or the first day on which at least ten percent (10%) of the units in the Project are first occupied, and ending on the later of the following:

- (a) the date that is fifteen (15) years after the date on which at least fifty percent (50%) of the units in the Project are first occupied;
- (b) the first date on which no Tax-Exempt private activity bonds with respect to the Project are Outstanding;
- (c) if applicable, the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates;
- (d) the date that is fifty-five (55) years after the Closing Date; or
- (e) such later date as may be provided in Section 5, 7 or 12 hereof.

“Regulations” - The income tax regulations promulgated by the Internal Revenue Service or the United States Department of the Treasury pursuant to the Code from time to time.

“Regulatory Agreement” - This Regulatory Agreement and Declaration of Restrictive Covenants, together with any amendments hereto or supplements hereof.

“Restricted Unit” - A Very Low Income Unit or a DRS Unit.

“Section 8” - Section 1437f of the Housing Act, unless explicitly referring to a section of this Regulatory Agreement (e.g., “Section 8 hereof”).

“Site” - The parcel or parcels of real property described in Exhibit A, which is attached hereto, and all rights and appurtenances thereto, and in which the Owner has a fee interest.

“SSI” - Supplemental Security Income administered pursuant to P.L. 74-271, approved August 14, 1935, 49 Stat. 620, as now in effect and as it may from time to time hereafter be amended or supplemented.

“State” - The State of California.

“Tax Certificate” - Collectively, the Certificate as to Arbitrage of the City, dated the date of issuance and delivery of the Bonds, executed and delivered by the City and the Owner, as amended or supplemented from time to time, and the Certificate Regarding Use of Proceeds of the Owner, dated the date of execution, issuance and delivery of the Bonds, as amended or supplemented from time to time.

“Tax Counsel” - Jones Hall, A Professional Law Corporation and/or any other attorney or firm of attorneys designated by the City having a national reputation for skill in connection with the authorization and issuance of municipal obligations under Sections 103 and 141 through 150 (or any successor provisions) of the Code.

"TANF" - The Temporary Assistance for Needy Families program administered pursuant to 42 U.S.C. §§ 601-687.

"Taxable Bonds" - The subseries of Bonds designated as 2017 Series B-3 (Federally Taxable) in the aggregate principal amount of \$_____.

"Tax-Exempt" - With respect to the status of interest on the Bonds, the exclusion of interest thereon from gross income of the applicable Holder for federal income tax purposes pursuant to Section 103(a) of the Code (other than interest on any portion of the Bonds owned by a "substantial user" of the Project or a "related person" within the meaning of Section 147 of the Code).

"Tax-Exempt Bonds" - The subseries of Bonds designated as 2017 Series B-1 in the aggregate principal amount of \$_____ and as 2017 Series B-2 in the aggregate principal amount of \$_____.

"Tenant" - At any time of determination thereof, all persons who together occupy a single residential unit in the Project, and upon the occupancy of a unit by any individual in addition to the previous Tenant of such unit, such unit shall be deemed to be occupied by a new Tenant.

"Trustee" - is defined in Recital C.

"Very Low Income Tenant" - Any Tenant in the Project whose Adjusted Income does not exceed fifty percent (50%) of the Median Income for the Area; provided, however, if all the occupants of a unit are students (as defined under Section 152(f)(2) of the Code) who fail to be described in Section 42(i)(3)(D) of the Code, such occupants shall not qualify as Very Low Income Tenants. The determination of a Tenant's status as a Very Low Income Tenant shall initially be made by the Owner on the basis of the Income Certification Form executed by the Tenant upon such Tenant's occupancy of a unit in the Project and upon annual recertification thereafter. In determining if any Tenant is a Very Low Income Tenant for purposes of any requirement of the City hereunder, the maximum Adjusted Income shall be based on the applicable percentage of the lower of the City Median Income or Median Income for the Area.

"Very Low Income Units" - The dwelling units in the Project required to be rented to, or designated for occupancy by, Very Low Income Tenants pursuant to Section 4 of this Regulatory Agreement.

Unless the context clearly requires otherwise, as used in this Regulatory Agreement, words of the masculine, feminine or neuter gender used in this Regulatory Agreement shall be construed to include each other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Regulatory Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The defined terms used in the preamble and recitals of this Regulatory Agreement have been included for convenience of reference only, and the meaning, construction and interpretation of all defined terms shall be determined by reference to this Section 1 notwithstanding any contrary definition in the preamble or recitals hereof. The titles and headings of the sections of this Regulatory Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or

provisions hereof or be considered or given any effect in construing this Regulatory Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

2. Acquisition and Construction of the Project. The Owner hereby represents, as of the date hereof, and covenants, warrants and agrees as follows:

(a) The Owner has incurred, or will incur within six (6) months after the Closing Date, a substantial binding obligation to a third party to commence the construction of the Project, pursuant to which the Owner is or will be obligated to expend an amount equal to or greater than five percent (5%) of the aggregate principal amount of the Tax-Exempt Bonds for the payment of Qualified Project Costs.

(b) The Owner's reasonable expectations respecting the total cost of construction of the Project and the disbursement of proceeds from the Tax-Exempt Bonds are accurately set forth in the Tax Certificate, which has been delivered to the City on the Closing Date.

(c) The Owner will proceed with due diligence to complete the acquisition, development and construction of the Project and expects to expend the maximum authorized amount of the Loan for Project Costs within three (3) years of the Closing Date.

(d) No later than ten (10) days after the Completion Date, the Owner will submit to the City with a copy to the Trustee and Mortgagee, a duly executed and completed Completion Certificate.

(e) The Owner shall prepare and submit to the City a final allocation of the proceeds of the Tax-Exempt Bonds to the payment of Qualified Project Costs, which allocation shall be consistent with the Cost Certification, as defined in the Owner's Partnership Agreement, within sixty (60) days after the Completion Date, but in any event no later than the earlier of: (1) eighteen (18) months from the placed in service date for the Project; (2) the latest maturity date for the Tax-Exempt Bonds; or (3) the fifth anniversary of the Closing Date.

(f) On the date on which fifty percent (50%) of the units in the Project are first rented, the Owner will submit to the City, the Trustee and the Mortgagee a duly executed and completed Certificate as to Commencement of Qualified Project Period, in the form of Exhibit E hereto.

(g) Money on deposit in any fund or account in connection with the Tax-Exempt Bonds, whether or not such money was derived from other sources, shall not be used by or under the direction of the Owner in a manner which would cause the Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and the Owner specifically agrees that the investment of money in any such fund shall be restricted as may be necessary to prevent the Tax-Exempt Bonds from being "arbitrage bonds" under the Code.

(h) The Owner (and any person related to it within the meaning of Section 147(a)(2) of the Code) will not take or omit to take any action if such action or omission would in any way cause the proceeds from the Bonds to be applied in a manner contrary to the requirements of the Loan Documents or this Regulatory Agreement.

(i) On or concurrently with the final draw by the Owner of amounts representing proceeds of the Bonds, the expenditure of such draw, when added to all previous disbursements representing proceeds of the Tax-Exempt Bonds, will result in not less than ninety-five percent (95%) of all disbursements of proceeds from the Bonds having been used to pay or reimburse the Owner for Qualified Project Costs and less than twenty-five percent (25%) of all disbursements having been used to pay for the acquisition of land or any interest therein.

(j) The statements made in the various certificates delivered by the Owner to the City on the Closing Date are true and correct.

(k) All of the amounts received by the Owner from the proceeds of the Tax-Exempt Bonds and earnings from the investment of such proceeds will be used to pay Project Costs; and no more than two percent (2%) of the proceeds of the Tax-Exempt Bonds shall be used to pay issuance costs of issuing and delivering the Tax-Exempt Bonds, within the meaning of Section 147(g) of the Code.

(l) The Owner will not knowingly take or permit, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the Tax-Exempt status of interest on the Bonds (other than with respect to interest on any portion thereof for a period during which such portion is held by a "substantial user" of any facility financed with the proceeds of the Tax-Exempt Bonds or a "related person," as such terms are used in Section 147(a) of the Code), and, if it should take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge thereof.

(m) The Owner will take such action or actions as may be necessary, in the written opinion of Tax Counsel to the City, to comply fully with the Act, the Code and all applicable rules, rulings, policies, procedures, Regulations or other official statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service to the extent necessary to maintain the Tax-Exempt status of interest on the Tax-Exempt Bonds (other than with respect to interest on any portion of thereof for a period during which such portion is held by a "substantial user" of any facility financed with the proceeds of the Tax-Exempt Bonds or a "related person," as such terms are used in Section 147(a) of the Code).

3. Qualified Residential Rental Property. The Owner hereby acknowledges and agrees that the Project will be owned, managed and operated as a "qualified residential rental project" (within the meaning of Section 142(d) of the Code). The City hereby elects to have the Project meet the requirements of Section 142(d)(1)(A) of the Code and the Owner hereby elects and covenants that it shall comply with Section 142(d)(1)(A) of the Code. To that end, and for the term of this Regulatory Agreement, the Owner hereby represents, as of the date hereof, and covenants, warrants and agrees as follows:

(a) The Project is being acquired, developed and constructed for the purpose of providing affordable multifamily residential rental property, including certain facilities related thereto, and the Owner shall own, manage and operate the Project as a project to provide multifamily residential rental property comprised of a building or structure or several interrelated buildings or structures, together with any functionally related and subordinate facilities, and no other facilities, in accordance with applicable provisions of Section 142(d) of the Code and Section 1.103-8(b) of the Regulations, and the Act, and in

accordance with such requirements as may be imposed thereby on the Project from time to time.

(b) All of the residential dwelling units in the Project will be similarly constructed units, and, to the extent required by the Code and the Regulations, each residential dwelling unit in the Project will contain complete separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range (which may be a countertop cooking range), refrigerator and sink.

(c) None of the residential dwelling units in the Project will at any time be used on a transient basis (e.g., subject to leases that are less than thirty (30) days duration) (including use as a corporate suite), or be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home, retirement house or trailer court or park.

(d) Except to the extent the Project has already been subdivided into air-rights condominium parcels or other legal subdivisions, no part of the Project will at any time be owned as a condominium or by a cooperative housing corporation, nor shall the Owner take any steps in connection with a conversion to such ownership or uses during the Qualified Project Period. Other than obtaining a final subdivision map on the Project and a Final Subdivision Public Report from the California Bureau of Real Estate, the Owner shall not take any steps in connection with a conversion of the Project to a condominium ownership except with the prior written opinion of Tax Counsel that the interest on the Tax-Exempt Bonds will not become includable in the gross income of the Holders thereof for federal income tax purposes thereby under Section 103 of the Code during the Qualified Project Period.

(e) All of the residential dwelling units in the Project will be available for rental on a continuous basis to members of the general public and the Owner will not give preference to any particular class or group in renting the residential dwelling units in the Project, except to the extent required by (i) this Regulatory Agreement or the Notice of Special Restrictions, (ii) any regulatory or restrictive use agreement to which the Project becomes subject pursuant to Section 42 of the Code, (iii) any additional tenant income and rent restrictions imposed by any other federal, State or local governmental agencies, and (iv) any other legal or contractual requirement not excepted by clauses (i) through (ii) of this paragraph, upon receipt by the Trustee and the City of an opinion of Tax Counsel to the effect that compliance with such other requirement will not adversely affect the Tax-Exempt status of interest on the Tax-Exempt Bonds.

(f) The Site consists of a parcel or parcels that are contiguous and all of the Facilities will comprise a single geographically and functionally integrated project for residential rental property (including the portions of the common areas allocated to the Project), as evidenced by the ownership, management, accounting and operation of the Project.

(g) No residential dwelling unit in the Project shall be occupied by the Owner. Notwithstanding the foregoing, if the Project contains five (5) or more residential dwelling units, this Section shall not be construed to prohibit occupancy of residential dwelling units by one or more resident managers or maintenance personnel any of whom may be the Owner; provided that the number of such managers or maintenance personnel is not

unreasonable given industry standards in the area for the number of residential dwelling units in the Project.

(h) The Owner shall not discriminate on the basis of race, creed, religion, color, sex, source of income (e.g., TANF, Section 8 or SSI), physical disability (including HIV/AIDS), age, national origin, ancestry, marital or domestic partner status, sexual preference or gender identity in the rental, lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the construction, operation and management of the Project, except to the extent required hereby.

(i) Should involuntary noncompliance with the provisions of Section 1.103-8(b) of the Regulations be caused by fire, seizure, requisition, foreclosure, transfer of title by assignment of the fee interest in the Project in lieu of foreclosure, change in a federal law or an action of a federal agency after the Closing Date which prevents the City from enforcing the requirements of the Code and the Regulations, or condemnation or similar event, the Owner covenants that, within a "reasonable period" determined in accordance with the Regulations, it will either prepay the Loan or, if permitted under the provisions of the Mortgage and the Loan Documents, as applicable, the Owner will apply any proceeds received as a result of any of the preceding events to reconstruct the Project to meet the requirements of Section 142(d) of the Code and the Regulations.

(j) The Owner agrees to maintain the Project, or cause the Project to be maintained, during the term of this Regulatory Agreement (i) in a reasonably safe condition and (ii) in good repair and in good operating condition, ordinary wear and tear excepted, making from time to time all necessary repairs thereto and renewals and replacements thereof such that the Project shall be in substantially the same condition at all times as the condition it is in at the time of the completion of the construction of the Project with the proceeds of the Loan, ordinary wear and tear excepted. Notwithstanding the foregoing, the Owner's obligation to repair or rebuild the Project in the event of casualty or condemnation shall be subject to the terms of the Loan Agreement and the Mortgage.

(k) The Project will have two hundred ninety-nine (299) residential rental dwelling units, at least one (1) of which will be a manager's unit.

(l) No dwelling units within the Project will be sold during the term of the Regulatory Agreement.

4. Restricted Units. The Owner hereby represents, as of the date hereof, and warrants, covenants and agrees as follows:

(a) Income and Rent Restrictions. In addition to the requirements of Section 5, hereof, the Owner shall comply with the income and rent restrictions of this Section 4(a), and any conflict or overlap between any two or more of such provisions shall be resolved in favor of the most restrictive of such provisions, that is, in favor of the lowest income and rent.

(i) Very Low Income Units. Sixty (60) of the units in the Project shall be rented to and continuously occupied by households who qualify as Very Low Income Tenants. The monthly rent charged for all the Very Low Income Units shall

not exceed one-twelfth of the amount obtained by multiplying 30% times 50% of the lower of City Median Income or Median Income for the Area.

(ii) [Reserved].

(iii) Income Restrictions Pursuant to the Code. Pursuant to the requirements of Section 142(d) of the Code, for the Qualified Project Period, not less than twenty percent (20%) of the total number of completed units in the Project shall be designated as Restricted Units and during the Qualified Project Period shall be rented to and continuously occupied by Tenants whose Adjusted Income does not exceed fifty percent (50%) of Median Income for the Area; provided, however, if all the occupants of a unit are students (as defined under Section 152(f)(2) of the Code) who fail to be described in Section 42(i)(3)(D) of the Code, such occupants shall not be qualified Tenants pursuant to this sentence.

The Owner hereby elects to have Section 142(d)(4)(B) (deep rent skewing) of the Code apply to the Project. Accordingly, for purposes of the preceding paragraph, at least fifteen percent (15%) of the Restricted Units (the "DRS Units") shall be occupied by Tenants (the "DRS Tenants") who satisfy the requirements herein for Very Low Income Tenants, except the maximum Adjusted Income shall not exceed forty percent (40%) of Median Income for the Area, rather than fifty percent (50%) of Median Income for the Area.

The gross rent with respect to each Restricted Unit shall not exceed thirty percent (30%) of the applicable income limit, and shall not exceed fifty percent (50%) of the average gross rent with respect to Market Rate Units of comparable size in the Project. For purposes of this Section 4(a)(iii), the term "gross rent" includes any payment under Section 8 of the United States Housing Act of 1937 and any utility allowance as determined by the Secretary of the U.S. Department of Housing and Urban Development after taking into account such determinations under said Section 8. For purposes of this Section 4(a)(iii), the term "applicable income limit" means the applicable income limit for a Tenant described in this Section 4(a)(iii) (i.e. 50% of Median Income for the Area or 40% Median Income for the Area).

(iv) Income and Rent Restrictions Pursuant to the Act. Pursuant to the requirements of Section 52080(a)(1)(A) of the Housing Law, for the Qualified Project Period, not less than twenty percent (20%) of the total number of completed units in the Project or sixty (60) units, shall be designated as affordable units and during the Qualified Project Period shall be rented to and continuously occupied by Tenants whose Adjusted Income does not exceed fifty percent (50%) of the Median Income for the Area; provided, however, that if all the occupants of a unit are students (as defined under Section 152(f)(2) of the Code) who fail to be described in Section 42(i)(3)(D) of the Code, such occupants shall not be qualified Tenants pursuant to this sentence. Pursuant to the requirements of Section 52080(a)(1)(A) of the Housing Law, the monthly rent charged for such units shall not exceed one-twelfth of the amount obtained by multiplying 30% times 50% of the Median Income for the Area. The Owner shall satisfy the requirements of this Section 4(a)(iv) by complying with the requirements of Section 4(a)(i), to the extent such compliance meets the requirements of Section 52080(a)(1)(A) of the Housing Law.

(v) CDLAC Requirements. To the extent the income and rent restrictions contained in the CDLAC Requirements are more restrictive than any of the foregoing requirements, the Owner shall comply with the CDLAC Requirements.

(vi) City Requirements. The parties acknowledge that the City has imposed income and rent restrictions ("affordability restrictions") and other requirements with respect to the Project, such as those set forth in the Notice of Special Restrictions, which may be different than and are independent of the restrictions and requirements imposed herein. Nothing contained in this Regulatory Agreement is intended to limit the restrictions, requirements or obligations in the Notice of Special Restrictions, and nothing contained in the Notice of Special Restrictions is intended to limit the restrictions, requirements or obligations in this Regulatory Agreement. For avoidance of doubt, it is the City's intention that the affordability restrictions described herein shall continue for no less than the longer of 75 years from the date on which at least fifty percent (50%) of the units in the Project are first occupied or the life of the Project.

(b) Over-Income Tenants. Notwithstanding the foregoing provisions of Section 4(a), no Tenant who satisfies the applicable income limit for a Restricted Unit upon initial occupancy shall be denied continued occupancy of a Restricted Unit in the Project solely because, after admission, the aggregate Adjusted Income of all Tenants in the Restricted Unit increases to exceed the qualifying limit for such Restricted Unit.

However, should the aggregate Adjusted Income of Tenants in a Very Low Income Unit or a DRS Unit, as of the most recent determination thereof, exceed one hundred seventy percent (170%) of the applicable income limit for such Restricted Unit occupied by the same number of Tenants, the next Available Unit that is a Restricted Unit must be rented to (or held vacant and available for immediate occupancy by) a DRS Tenant. The unit occupied by such Tenants whose aggregate Adjusted Income exceeds such applicable income limit shall continue to be treated as occupied by a Very Low Income Tenant or DRS Tenant for purposes of the requirements of Section 4(a) hereof unless and until an Available Unit that is a Restricted Unit is rented to persons other than a DRS Tenant. Moreover, a unit previously occupied by a Very Low Income Tenant or DRS Tenant and then vacated shall be considered occupied by a Very Low Income Tenant or DRS Tenant, respectively, until reoccupied, other than a reoccupation for a temporary period, at which time the character of the unit shall be re-determined. In no event shall such temporary period exceed thirty-one (31) days.

(c) Income Certifications. The Owner will obtain, complete and maintain on file an income certification's, in the form referenced in Exhibit B, for each Tenant in a Restricted Unit (i) immediately prior to the initial occupancy of a Restricted Unit by such Tenant, and (ii) thereafter, annually, by completing the Income Certification Form together with such information, documentation and certifications as are required therein or by the City, in its discretion, to substantiate the Tenant's income. In addition, the Owner will provide such further information as may be required in the future by the State, CDLAC, the City (on a reasonable basis), the Program Administrator, the Act, Section 142(d) of the Code and/or the Treasury Regulations, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures or other official statements now or hereafter promulgated, proposed or made

by the Department of the Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code.

(d) Certificate of Continuing Program Compliance. Upon the commencement of the Qualified Project Period, and on each February 1st thereafter (or such other date as shall be requested in writing by the City or the Program Administrator, if other than the City) during the term of this Regulatory Agreement, the Owner shall advise the Program Administrator of the status of the occupancy of the Project by delivering to the Program Administrator (with a copy to the Trustee and Mortgagee) a Certificate of Continuing Program Compliance (a form of which is attached hereto as Exhibit D). The Owner shall also timely provide to the City such information as is requested by the City to comply with any reporting requirements applicable to it with respect to the Bonds or the Project under any federal or State law or regulation, including without limitation, CDLAC regulations (Division 9.5 of Title 4 of the California Code of Regulations).

(e) Recordkeeping. The Owner will maintain complete and accurate records pertaining to the Restricted Units, and will permit any duly authorized representative of the City, the Program Administrator (if other than the City), the Trustee, the Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Owner pertaining to the Project upon reasonable notice during normal business hours, including those records pertaining to the occupancy of the Restricted Units, but specifically excluding any material which may be legally privileged.

(f) Annual Certification to Secretary of Treasury. The Owner shall submit to the Secretary of the Treasury annually on or before March 31 of each year, or such other date as is required by the Secretary of the Treasury, a completed Internal Revenue Service Form 8703, and shall provide a copy of each such form to the Program Administrator and the Trustee. Failure to comply with the provisions of this paragraph will subject the Owner to penalty, as provided in Section 6652(j) of the Code.

(g) Lease Provisions Regarding Income Certification Reliance. All leases pertaining to Restricted Units do and shall contain clauses, among others, wherein each Tenant who occupies a Restricted Unit: (1) certifies the accuracy of the statements made in the Income Certification Form; (2) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy of such Tenant, that such Tenant will comply promptly with all requests for information with respect thereto from the Owner or the Program Administrator on behalf of the City, and that the failure to provide accurate information in the Income Certification or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the tenancy of such Tenant; (3) acknowledges that the Owner has relied on the Income Certification Form and supporting information supplied by the Tenant in determining qualification for occupancy of the Restricted Unit, and that any material misstatement in such certification (whether intentional or otherwise) will be cause for immediate termination of such lease or rental agreement; and (4) agrees that the Tenant's income is subject to annual certification in accordance with Section 4(c) hereof and that failure to cooperate with the annual recertification process reasonably instituted by the Owner pursuant to Section 4(c) above may provide grounds for termination of the lease.

(h) Maintenance of Tenant Lists and Applications. All tenant lists, applications and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business which is unrelated to the Project and shall be maintained, as

required from time to time by the Program Administrator on behalf of the City or the Trustee, in a reasonable condition for proper audit and subject to examination upon reasonable notice during normal business hours by representatives of the Project or the City. Failure to keep such lists and applications or to make them available to the City or the Trustee shall be a default hereunder.

(i) Tenant Lease Subordination. All tenant leases or rental agreements shall be subordinate to this Regulatory Agreement.

(j) No Encumbrance, Demolition or Non-Rental Residential Use. The Owner shall not take, or permit, any of the following actions:

(i) other than the Permitted Encumbrances, encumber any portion of the Project or grant commercial leases of any part thereof (except the Commercial Space), or permit the conveyance, transfer or encumbrance of any part of such Project (except for apartment leases), except (i) pursuant to the provisions of this Regulatory Agreement and on a basis subordinate to the provisions of this Regulatory Agreement, to the extent applicable, (ii) upon receipt by the Owner, the Trustee, the Mortgagee and the City of an opinion of Tax Counsel that such action will not adversely affect the Tax-Exempt status of interest on the Bonds, or (iii) upon a sale, transfer or other disposition of such Project in accordance with the terms of this Regulatory Agreement; or

(ii) demolish any part of such Project or substantially subtract from any real or personal property of such Project (other than in the ordinary course of business); or

(iii) permit the use of the dwelling accommodations of such Project for any purpose except rental residences.

(k) Compliance with Regulatory Agreement. The Owner shall exercise reasonable diligence to comply or cause compliance with the requirements of this Regulatory Agreement and shall notify the City within fifteen (15) days and correct any noncompliance within sixty (60) days after such noncompliance is first discovered by the Owner or would have been discovered by the exercise of reasonable diligence, unless such noncompliance is not reasonably susceptible to correction within sixty (60) days, in which event the Owner shall have such additional time as may be reasonably necessary to effect such correction provided the Owner has commenced such correction after discovery and is diligently prosecuting such correction.

5. Additional Requirements of the City.

(a) Minimum Lease Term. The term of the lease for any Restricted Unit shall be not less than one (1) year.

(b) Limitation on Rent Increases. Annual rent increases on an occupied Restricted Unit shall be limited to the percentage of the annual increase in the lower of the City Median Income or the applicable Median Income for the Area for that Restricted Unit. Rent increases which are permitted but not made in a given year may not be carried forward and made in any subsequent year.

(c) Appointment of Program Administrator. The Owner acknowledges that the City may appoint a Program Administrator (other than the City), at the sole cost and expense of the City, to administer this Regulatory Agreement and to monitor performance by the Owner of the terms, provisions and requirements hereof. In such event, the Owner shall comply with any reasonable request by the City and the Program Administrator to deliver to any such Program Administrator, in addition to or instead of the City, any reports, notices or other documents required to be delivered pursuant hereto, and to make the Project and the books and records with respect thereto available for inspection during normal business hours with reasonable notice by the Program Administrator as an agent of the City. The City may change the Program Administrator at its sole and exclusive discretion. The Owner shall have the right to rely on any consent or direction given by the Program Administrator on the same basis as if given by the City.

(d) Management Agent. The Owner shall not enter into any agreement providing for the management or operation of the Project with any party other than Related Management Company, L.P., a New York limited partnership, without the prior written consent of the City, which consent shall not be unreasonably withheld or delayed, except as contemplated by the Affordable Project Lease Agreement.

(e) Certificate of Preference Program. To the fullest extent permitted by law, the Owner shall comply with the City's Certificate of Preference Program pursuant to San Francisco Administrative Code Section 24.8, to the extent such compliance is not in conflict with any other requirements imposed on the Project pursuant to Sections 42 and 142(d) of the Code, the Act, the CDLAC Resolution, or CTCAC.

(f) Nondiscrimination Based on Section 8, Household Size, or Source of Income. The Owner shall accept as tenants, on the same basis as all other prospective tenants, persons who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing program under Section 8 of the Housing Act, or any successor program or similar federal, State or local governmental assistance program. The Owner shall not apply selection criteria to Section 8 certificate or voucher holders that are more burdensome than criteria applied to all other prospective tenants and the Owner shall not refuse to rent to any tenant on the basis of household size as long as such household size does not exceed two (2) persons for a studio unit; three (3) persons for a one-bedroom unit; five (5) persons for a two-bedroom unit and seven (7) persons for a three-bedroom unit. The Owner shall not collect any additional fees or payments from such a tenant except security deposits or other deposits required of all tenants. The Owner shall not collect security deposits or other deposits from Section 8 certificate or voucher holders in excess of that allowed under the Section 8 program. The Owner shall not discriminate against tenant applicants on the basis of legal source of income (e.g., TANF, Section 8 or SSI), and the Owner shall consider a prospective tenant's previous rent history of at least one (1) year as evidence of the ability to pay the applicable rent (i.e., ability to pay shall be demonstrated if such a tenant can show that the same percentage or more of the tenant's income has been consistently paid on time for rent in the past as will be required to be paid for the rent applicable to the unit to be occupied, provided that such tenant's expenses have not increased materially). Further, Owner shall comply with all applicable notice provisions set forth in the Housing Act prior to terminating any lease to which any Tenant previously certified by the Owner as a Very Low Income Tenant is a party. The Owner acknowledges that (i) federal notice requirements under the Housing Act are distinct from those under State law or City law and the Owner shall comply with all federal, State and local laws in connection with any such notice requirements, and (ii) compliance with the law of one jurisdiction shall not be deemed compliance with the laws of all jurisdictions.

(g) Overincome Provisions after Expiration of Qualified Project Period. Notwithstanding the provisions of Section 4(b), from and after the expiration of the Qualified Project Period, in the event that Owner's certification of a Very Low Income Tenant's income or a DRS Tenant's income, pursuant to Section 4(c), indicates that such Very Low Income Tenant's income exceeds one hundred twenty percent (120%) of the lower of the City Median Income or the Median Income for the Area (and in the case of a DRS Tenant, exceeds one hundred twenty percent (120%) of the Median Income for the Area), the Owner shall terminate such lease upon one hundred twenty (120) days prior written notice to the Tenant, and the lease for each Restricted Unit shall contain a statement to the foregoing effect. Notwithstanding the foregoing, the Owner shall not be required to terminate said Tenant's lease if any regulation or statute governing the Project or the financing thereof prohibits the termination of said Tenant's lease in this manner.

(h) Consideration for Restrictions. It is hereby acknowledged and agreed that any restrictions imposed on the operation of the Project herein and which are in addition to those imposed pursuant to Section 142(d) of the Code or the Act are at the request of the Owner, and that the Owner has voluntarily agreed to such additional restrictions in order to obtain financial assistance from the City and an allocation of private activity bond volume cap from CDLAC.

(i) Marketing Plan. Owner will market the Restricted Units in accordance with the marketing plan, if any, approved by the City.

(j) Extension of Qualified Project Period. Notwithstanding any other provision herein, the Qualified Project Period shall not expire earlier than, and the requirements of this Section 5 shall be in effect until, the date that is fifty-five (55) years after the Closing Date; provided that certain provisions shall survive and remain in full force and effect following the end of the Qualified Project Period as specified in Section 12 hereof.

(k) Amendment or Waiver by City; Conflicting Provisions. The requirements of Section 4(a)(i) and of Section 5 hereof may be amended, modified or waived (but not increased or made more onerous), at the City's sole discretion, by written amendment signed by the City and the Owner, or expressly waived by the City in writing, but no such waiver by the City shall, or shall be deemed to, extend to or affect any other provision of this Regulatory Agreement except to the extent the City and the Trustee have received an opinion of Tax Counsel to the effect that any such provision is not required by the Code or the Act and may be waived without adversely affecting the Tax-Exempt status of interest on the Tax-Exempt Bonds. Any requirement of Section 4(a)(i) or Section 5 shall be void and of no force and effect if the City, the Mortgagee, the Trustee and the Owner receive a written opinion of Tax Counsel to the effect that compliance with such requirement would be in conflict with the Act or any other applicable state or federal law.

6. Additional Requirements of State Law. In addition to the requirements set forth above, the Owner hereby agrees that it shall also comply with each of the following requirements of Section 52080 of the Housing Law, in each case, for the term of this Regulatory Agreement as set forth in Section 12 hereof, including the following:

(a) Tenants Under Section 8 of the Housing Act. The Owner shall accept as tenants, on the same basis as all other prospective tenants, low-income persons who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing program under Section 8 of the Housing Act, and shall not permit any selection criteria to be applied to Section 8 certificate or voucher holders that is more burdensome than the criteria applied to all other prospective tenants.

(b) Availability on Priority Basis. The Restricted Units shall remain available on a priority basis for occupancy at all times by the Very Low Income Tenants and DRS Tenants.

(c) Binding Covenants and Conditions. The covenants and conditions of this Regulatory Agreement shall be binding upon successors in interest of the Owner.

(d) Recordation of Regulatory Agreement. This Regulatory Agreement shall be recorded in the office of the county recorder of the City and County of San Francisco, California, and shall be recorded in the grantor-grantee index under the name of the Owner as grantor and to the name of the City as grantee.

(e) Restricted Income Units of Comparable Quality. The Restricted Units shall be of comparable quality and offer a range of sizes and number of bedrooms comparable to those units which are available to other tenants and shall be distributed throughout the Project.

(f) Availability Following Expiration of Qualified Project Period. Following the expiration or termination of the Qualified Project Period, except in the event of foreclosure, redemption of the Bonds, assignment of the fee interest in the Project in lieu of foreclosure, eminent domain, or action of a federal agency preventing enforcement, units reserved for occupancy as required by Section 4(a)(iv) shall remain available to any eligible Tenant occupying a Restricted Unit at the date of such expiration or termination, at the rent determined by Subsection 4(a)(iv), until the earliest of: (1) the household's income exceeds one hundred twenty percent (120%) of the maximum eligible income specified therein, except as specified in Section 5(g); (2) the household voluntarily moves or is evicted for good cause, as defined in the Housing Law; (3) fifty-five (55) years after the date of the commencement of the Qualified Project Period; or (4) the Owner pays the relocation assistance and benefits are paid to households if required by, and as provided in, Section 7264(b) of the California Government Code.

(g) Availability Preceding Expiration of Qualified Project Period. During the three (3) years prior to the later of (i) the expiration of the Qualified Project Period or (ii) the date that is fifty-five (55) years after the date of commencement of the Qualified Project Period, the Owner shall continue to make available Restricted Units to eligible households that have been vacated to the same extent that non-Restricted Units, if any, are made available to non-eligible households.

(h) Notice and Other Requirements. The Owner shall comply with all applicable requirements of Section 65863.10 of the California Government Code, including the requirements for providing notices in Sections (b), (c), (d) and (e) thereof, and shall comply with all applicable requirements of Section 65863.11 of the California Government Code.

(i) Syndication of the Affordable Project. Any syndication of tax credits with respect to all or a portion of the Project shall require the prior written approval of the Director of the Mayor's Office of Housing and Community Development of the City, which approval shall be granted only after the City determines that the terms and conditions of such syndication, including the Affordable Project Lease Agreement, (1) shall not reduce or limit any of the requirements of the Act or regulations adopted or documents executed pursuant to the Act, (2) shall not cause any of the requirements of the City set forth in this

Section 6 hereof to be subordinated to the syndication agreement, and (3) shall not result in the provision of fewer Restricted Units, or the reduction of any benefits or services, than were in existence prior to the proposed syndication.

7. CDLAC Requirements. The Owner hereby agrees that the acquisition, development, construction, equipping and operation of the Project and the financing thereof is and shall be in compliance with the conditions set forth in Exhibit A to CDLAC Resolution No. 16-202, adopted on December 14, 2016, as extended on _____, 2017, attached hereto as Exhibit F (the "CDLAC Resolution"), which conditions (the "CDLAC Requirements") are incorporated herein by reference and are made a part hereof. Annually on February 1, and as otherwise requested by CDLAC, the Owner shall prepare and submit to the City a Certificate of Compliance in substantially the form attached hereto as Exhibit G, executed by an Authorized Owner Representative.

8. Indemnification. The Owner hereby releases the City, the Trustee and their respective officers, members, directors, officials and employees from, and covenants and agrees to indemnify, hold harmless and defend the City and the Trustee and the officers, members, directors, officials, agents and employees of each of them (collectively, the "Indemnified Parties," and each an "Indemnified Party") from and against any and all claims, losses, costs, damages, demands, expenses, taxes, suits, judgments, actions and liabilities of whatever nature, joint and several (including, without limitation, costs of investigation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments), directly or indirectly: (a) by or on behalf of any person arising from any cause whatsoever in connection with transactions contemplated hereby or otherwise in connection with the Project, the Loan or the use thereof, or the execution or amendment of any document relating thereto; (b) arising from any cause whatsoever in connection with the approval of financing for the Project or the making of the Loan or otherwise; (c) arising from any act or omission of the Owner or any of its agents, servants, employees or licensees, in connection with the Loan or the Project; (d) arising in connection with the issuance and sale, resale or reissuance of any bond, including any secondary market transaction with respect thereto, or any certifications or representations made by any person other than the City or the party seeking indemnification in connection therewith and the carrying out by the Owner of any of the transactions contemplated by the Loan Documents and this Regulatory Agreement; (e) arising in connection with the operation of the Project, or the conditions, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation, or construction of, the Project or any part thereof; and (f) arising out of or in connection with the exercise by the Trustee of its powers or duties under the Loan Documents, and this Regulatory Agreement or any other agreements in connection therewith to which it is a party; provided, however, that this provision shall not require the Owner to indemnify (i) the Trustee from any claims, costs, fees, expenses or liabilities arising from the negligence or willful misconduct of the Trustee, or (ii) the City for any claims, costs, fees, expenses or liabilities arising solely from the willful misconduct of the City. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Owner, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the engagement of counsel selected by the Owner and reasonably approved by the Indemnified Party and the Owner shall assume the payment of all reasonable fees and expenses related thereto (provided however that if the Indemnified Party is the City, the selection of counsel is at the sole discretion of the City Attorney and the Owner shall assume the payment of all reasonable fees and expenses related thereto) with full power to litigate, compromise or settle the same in its discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Notwithstanding the foregoing, no indemnification obligation shall give

rise to an obligation to pay principal and interest on the Loan, which is not otherwise set forth in the Loan Documents, the Bonds or any other agreement relating to the Bonds.

The Owner also shall pay and discharge and shall indemnify and hold harmless the City and the Trustee from (i) any lien or charge upon payments by the Owner to the City and the Trustee hereunder and (ii) any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges in respect of any portion of the Project. If any such claim is asserted, or any such lien or charge upon payments, or any such taxes, assessments, impositions or other charges, are sought to be imposed, the City or the Trustee shall give prompt notice to the Owner, and the Owner shall have the sole right and duty to assume, and the Owner will assume, the defense thereof, including the engagement of counsel selected by Owner and reasonably approved by the Indemnified Party and the payment of all reasonable fees and expenses related thereto (provided that if the Indemnified Party is the City, the selection of counsel is at the sole discretion of the City Attorney and the Owner shall assume the payment of all reasonable fees and expenses related thereto), with full power to litigate, compromise or settle the same in its discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. If a potential conflict exists between the Owner's defense and the interests of an Indemnified Party, then such Indemnified Party shall have the right to engage separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Owner shall pay the reasonable fees and expenses of such separate counsel.

Notwithstanding any transfer of the Project to another Owner in accordance with the provisions of Section 11 of this Regulatory Agreement, the Owner shall remain obligated to indemnify the City pursuant to this Section 8 if such subsequent Owner fails to so indemnify the City, unless at the time of transfer the City has consented to the transfer to the extent such consent is required hereunder.

The provisions of this Section 8 shall survive the term of the Bonds and this Regulatory Agreement, including the termination of this Regulatory Agreement pursuant to the second paragraph of Section 12 hereof.

The obligations of the Owner under this Section are independent of any other contractual obligation of the Owner to provide indemnity to the Indemnified Parties or otherwise, and the obligation of the Owner to provide indemnity hereunder shall not be interpreted, construed or limited in light of any other separate indemnification obligation of the Owner. The Indemnified Parties shall be entitled simultaneously to seek indemnity under this Section and any other provision under which they are entitled to indemnification.

In addition thereto, the Owner will pay upon demand all reasonable fees and expenses paid or incurred by the Indemnified Parties in enforcing the provisions hereof.

9. Consideration. The City has executed, issued and delivered the Bonds and made the Loan to provide funds for the purpose of financing the Project, all for the purpose, among others, of inducing the Owner to acquire, construct, equip and operate the Project. In consideration of the making of the Loan by the City, the Owner has entered into this Regulatory Agreement and has agreed to restrict the use of the Project on the terms and conditions set forth herein.

10. Reliance. The City and the Owner hereby recognize and agree that the representations, warranties, covenants and agreements set forth herein may be relied upon by

all persons interested in the legality and validity of the Bonds, and in the Tax-Exempt status of the interest on the Tax-Exempt Bonds. In performing its duties and obligations hereunder, the City may rely upon statements and certificates of the Owner and the Very Low Income Tenants, and upon audits of the books and records of the Owner pertaining to the Project. In addition, the City may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the City hereunder in good faith and in conformity with such opinion.

11. Sale or Transfer of the Project. The Owner intends to hold its respective interest in the Project for its own account, has no current plans to sell, transfer or otherwise dispose of the Project, and, except as otherwise expressly provided herein, hereby covenants and agrees not to sell, transfer or otherwise dispose of the Project, or any portion thereof (other than for individual tenant use as contemplated hereunder, under the Affordable Housing Project Lease or the leasing of the Commercial Space on terms acceptable to the City) or interest therein, including any interest in the Owner, without obtaining the prior written consent of the City, which consent shall not be unreasonably withheld, and receipt by the City of: (i) evidence satisfactory to the City that the Owner's purchaser or transferee has assumed in writing and in full, the Owner's duties and obligations under this Regulatory Agreement; (ii) an opinion of counsel of the transferee that the transferee has duly assumed the obligations of the Owner under this Regulatory Agreement and that such obligations and this Regulatory Agreement are binding on the transferee; (iii) evidence acceptable to the City that either (A) the purchaser or assignee has experience in the ownership, operation and management of rental housing projects in the City such as the Project without any record of material violations of discrimination restrictions or other state or federal laws or regulations applicable to such projects, or (B) the purchaser or assignee agrees to retain a property management firm with the experience and record described in subparagraph (A) above, or alternatively, if the purchaser or assignee does not have management experience, the City may cause the Program Administrator to provide on-site training in program compliance if the City determines such training is necessary; (iv) evidence satisfactory to the City that no event of default exists under this Regulatory Agreement, the Loan Documents or any document related to the Loan, beyond the expiration of any applicable notice and cure period, and that payment of all fees and expenses of the City and the Trustee due under any of such documents is current; and (v) an opinion of Tax Counsel to the effect that such transfer will not, in itself, cause interest on the Tax-Exempt Bonds to become includable in the gross income of the recipients thereof for federal income tax purposes, except to the extent held by a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section 11 shall be null, void and without effect, shall cause a reversion of title to the Owner, and shall be ineffective to relieve the Owner of its obligations under this Regulatory Agreement. Nothing in this Section 11 shall affect any provision of any other document or instrument between the Owner and any other party which requires the Owner to obtain the prior written consent of such other party in order to sell, transfer or otherwise dispose of the Project. Not less than sixty (60) days prior to consummating any sale, transfer or disposition of any interest in the Project, the Owner shall deliver to the City a notice in writing explaining the nature of the proposed transfer. Notwithstanding the foregoing, the provisions of this Section 11 shall not apply to the transfer of all or any portion of (a) the Administrative General Partner's interest in the Owner to an affiliate of the Administrative General Partner in accordance with the Partnership Agreement, (b) [the Managing General Partner's interest to an affiliate of the Managing General Partner] in accordance with the Partnership Agreement, or (c) the Project by foreclosure, exercise of power of sale, transfer of title by deed in lieu of foreclosure, transfer of title by assignment in lieu of foreclosure of the fee interest in the Project in each case to the Trustee or an Affiliate thereof.

12. Term. Subject to the following paragraph of this Section 12, Section 8 hereof and to any other provision expressly agreed herein to survive the termination of this Regulatory Agreement, this Regulatory Agreement and all of the terms hereof shall become effective upon its execution and delivery and shall remain in full force and effect for the longer of (a) the Qualified Project Period, (b) fifty-five (55) years after the date on which at least fifty percent (50%) of the units in the Project are first occupied, (c) the longest duration set forth in the Notice of Special Restrictions and (d) the duration described in Section 4(a)(vi).

The terms of this Regulatory Agreement to the contrary notwithstanding, this Regulatory Agreement, except for the provisions of Section 8 hereof and to any other provision expressly agreed herein to survive the termination of this Regulatory Agreement, including those set forth in the above paragraph, shall terminate and be of no further force and effect in the event of (i) involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire, seizure, requisition, change in a federal law or an action of a federal agency after the Closing Date, which prevents the City from enforcing such provisions, or (ii) foreclosure, exercise of power of sale, transfer of title by deed in lieu of foreclosure, transfer of title by assignment in lieu of foreclosure of the fee interest in the Project, or condemnation or a similar event, but only if, in case of the events described in either clause (i) or (ii) above, within a reasonable period, either the Bonds are paid in full or canceled or amounts received as a consequence of such event are used to provide a project that meets the requirements hereof; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained herein shall be reinstated if, at any time subsequent to the termination of such provisions as the result of the foreclosure, exercise of power of sale, or the delivery of a deed in lieu of foreclosure, transfer of title by assignment in lieu of foreclosure of the fee interest in the Project or a similar event, the Owner or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for federal income tax purposes. The Owner hereby agrees that, following any foreclosure, exercise of power of sale, transfer of title by deed in lieu of foreclosure or similar event, neither the Owner nor any such related person as described above will obtain an ownership interest in the Project for federal tax purposes. Notwithstanding any other provisions of this Regulatory Agreement to the contrary, this entire Regulatory Agreement, or any of the provisions or sections hereof, may be terminated upon agreement by the City and the Owner subject to compliance with any of the provisions contained in this Regulatory Agreement only if there shall have been received by the City an opinion of Tax Counsel that such termination will not adversely affect the Tax-Exempt status of the interest on the Tax-Exempt Bonds or the exemption from State personal income taxation of the interest on the Bonds. The Owner shall provide written notice to the City of the occurrence of any of the events described in (i) or (ii) above.

Upon the termination of the terms of this Regulatory Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Regulatory Agreement in accordance with its terms.

13. [Reserved]

14. Covenants to Run With the Land. The Owner hereby subjects the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The City and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding

upon the Owner's successors in title to the Project; provided, however, that on the termination of this Regulatory Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. No breach of any of the provisions of this Regulatory Agreement shall defeat or render invalid the lien of a mortgage made in good faith and for value encumbering the Site.

15. Burden and Benefit. The City and the Owner hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land in that the Owner's legal interest in the Project is rendered less valuable thereby. The City and the Owner hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by Very Low Income Tenants and DRS Tenants, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Bonds were executed, issued and delivered.

16. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project in order to establish and carry out a common plan for the use, development and improvement of the Site.

17. Enforcement. If the Owner defaults in the performance or observance of any covenant, agreement or obligation of the Owner set forth in this Regulatory Agreement, and if such default remains uncured for a period of sixty (60) days (the "cure period") after written notice thereof shall have been given by the City to the Owner (and a copy of such notice shall also be given to the Trustee and Mortgagee, provided however that the failure of the City to provide such copy to the Trustee shall have no effect on the sufficiency of the notice to the Owner), the City may, at its sole option, extend the cure period if the default is of the nature which would reasonably require more than sixty (60) days to cure and if the Owner provides the City, if requested by the City, with an opinion of Tax Counsel to the effect that such extension will not adversely affect the Tax-Exempt status of interest on the Tax-Exempt Bonds. Upon the expiration of such cure period, as the same may be extended as aforesaid, then the City may declare an "event of default" to have occurred hereunder, and, subject to the provisions of the Indenture, may take any one or more of the following steps:

(a) by mandamus or other suit, action or proceeding at law or in equity, require the Owner to perform its obligations and covenants hereunder or enjoin any acts or things which may be unlawful or in violation of the rights of the City hereunder; or

(b) have access to and inspect, examine and make copies of all of the books and records of the Owner pertaining to the Project; or

(c) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Owner hereunder.

Notwithstanding anything contained in this Regulatory Agreement to the contrary, the occurrence of an event of default under this Regulatory Agreement shall not be deemed, under any circumstances whatsoever, to be a default under the Mortgage or the Loan Agreement, except as may be otherwise specified in the Mortgage or the Loan Agreement, respectively.

18. Recording and Filing. The Owner shall cause this Regulatory Agreement and all amendments and supplements hereto and thereto, to be recorded and filed in the real property records of the City and County of San Francisco, California and in such other places as the City may reasonably request. The Owner shall pay all fees and charges incurred in connection with any such recording.

19. Payment of Fees. Notwithstanding any prepayment of the Loan and notwithstanding a discharge of any of the Loan Documents, the Owner shall continue to pay the City's annual administrative fee as calculated and described below. Upon the occurrence of an event of default hereunder, the Owner shall continue to pay to the City compensation for any services rendered by the City hereunder and reimbursement for all expenses incurred by it in connection therewith.

The Owner shall pay to the City (i) an initial issuance fee of \$_____ (which is equal to one quarter of one percent (0.25%) of the maximum principal amount of the Bonds (the "Issuance Fee") and (ii) an annual administrative fee (the "Annual Fee") (and together the fees are referred to as "Issuer Fee" in the Indenture) as follows: (A) on the Closing Date and on each anniversary thereof until the Conversion Date, one eighth of one percent (0.125%) of the maximum principal amount of the Bonds, and (B) on each anniversary of the Closing Date from the Conversion Date through the remaining term of this Regulatory Agreement, one eighth of one percent (0.125%) of the principal amount of the Bonds outstanding on each such anniversary date, but no less than \$2,500. As applicable, amounts due shall be pro-rated for any partial period based on the actual number of days elapsed and the actual number of days in the period. The total amount payable to the City on the Closing Date shall be \$_____, consisting of the Issuance Fee plus the first [two] installments of the Annual Fee. The next installment of the Annual Fee shall be payable commencing on the [second] anniversary of the Closing Date and thereafter on each anniversary date of the Closing Date during the term of this Agreement.

In case any action at law or in equity, including an action for declaratory relief, is brought against the Owner to enforce the provisions of this Regulatory Agreement, the Owner agrees to pay reasonable attorney's fees and other reasonable expenses incurred by the City, CDLAC, and/or the Program Administrator in connection with such action should such entities be the prevailing party in such action.

20. Governing Law. This Regulatory Agreement shall be governed by the laws of the State of California.

21. Amendments. To the extent any amendments to the Act, the Treasury Regulations or the Code shall, in the written opinion of Tax Counsel filed with the City, the Trustee and the Owner, impose requirements upon the ownership or operation of the Project more restrictive than those imposed by this Regulatory Agreement which must be complied with in order to maintain the Tax-Exempt status of interest on the Tax-Exempt Bonds, this Regulatory Agreement shall be deemed to be automatically amended to impose such additional or more restrictive requirements. Otherwise, this Regulatory Agreement shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the City and County of San Francisco, California, provided that any amendment to the CDLAC Requirements shall also be subject to the consent of CDLAC, and provided further, that any amendment to Sections 3 and 4 hereof shall require an opinion of Tax Counsel filed with the City, the Trustee, the Owner and the Mortgagee, to the effect that such amendment will not adversely affect the Tax-Exempt status of interest on the Tax-Exempt Bonds.

22. City Contracting Provisions. The Owner covenants and agrees to comply with the provisions set forth in Exhibit H to this Regulatory Agreement, which is incorporated in and made a part of this Regulatory Agreement by this reference.

23. Notice. All notices, certificates or other communications shall be sufficiently given and shall be deemed given on the date personally delivered or the business day after deposit with a reputable overnight carrier for overnight delivery, or on the second day following the date on which the same have been mailed by first class mail, postage prepaid, addressed as follows:

If to the City: City and County of San Francisco
City Hall, 1 Dr. Carlton B. Goodlett Place, Room 316
San Francisco, California 94102
Attention: City Controller

With copies to (none of which copies shall constitute notice): City and County of San Francisco
City Hall, 1 Dr. Carlton B. Goodlett Place, Room 140
San Francisco, California 94102
Attention: City Treasurer

City and County of San Francisco
Mayor's Office of Housing and Community
Development
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attention: Director

Office of the City Attorney
City Hall, 1 Dr. Carlton B. Goodlett Place, Room 234
San Francisco, California 94102
Attention: Finance Team

If to the Owner: Related/Mariposa Development Co., L.P.
c/o Related California
44 Montgomery Street, Suite 1300
San Francisco, California 94104
Attention: Gregory Vilkin

With copies to: The Related Companies, L.P.
60 Columbus Circle
New York, NY 10023
Attention: Jennifer McCool, Chief Legal Officer

Levitt & Boccio, LLP
423 West 55th Street, 8th Floor
New York, NY 10019
Attention: David S. Boccio, Esq.

With a copy to: _____

Attention: _____

If to the Mortgagee: Bank of America, N.A.

Attention: _____

With copies to: _____

Attention: _____

If to Trustee: U.S. Bank National Association
One California Street, Suite 1000
San Francisco, CA 94111
Attention: Global Corporate Trust Services

Any of the foregoing parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, documents or other communications shall be sent.

24. Interpretation; Severability. The parties to this Regulatory Agreement acknowledge that each party and their respective counsel have participated in the drafting of this Regulatory Agreement. Accordingly, the parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Regulatory Agreement or any supplement or exhibit hereto. If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

25. Multiple Counterparts. This Regulatory Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

26. Third-Party Beneficiaries. The parties to the Regulatory Agreement recognize and agree that the terms of the Regulatory Agreement and the enforcement of those terms are entered into for the benefit of various parties, including CDLAC. The parties hereto acknowledge that CDLAC and the Trustee, on behalf of the Holders of Bonds, are third party beneficiaries of this Regulatory Agreement. CDLAC shall accordingly have contractual rights in this Regulatory Agreement and shall be entitled (but not obligated) to enforce, in accordance with Section 17 hereof, the terms hereof and the terms of the CDLAC Resolution. Notwithstanding the above, CDLAC shall be entitled solely to enforce the terms of the CDLAC Resolution, and any enforcement of the terms and provisions of the CDLAC Resolution by CDLAC shall not adversely affect the interests of the Holders of Bonds, and shall otherwise be subject to the terms, conditions

and limitations otherwise applicable to the enforcement of remedies under this Regulatory Agreement.

Pursuant to Section 52080(k) of the Housing Law, the provisions of Section 4(a)(iv) and Section 6 hereof may be enforced either in law or in equity by any resident, local agency, entity, or by any other person adversely affected by the Owner's failure to comply with that Section.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the City and the Owner have executed this Regulatory Agreement by their duly authorized representatives, all as of the date first written hereinabove.

CITY AND COUNTY OF SAN FRANCISCO

By: _____
Olson Lee, Director
Mayor's Office of Housing and
Community Development

Approved as to Form:

DENNIS J. HERRERA
City Attorney

By: _____
Kenneth Roux
Deputy City Attorney

[Signatures continue onto following page.]

OWNER:

Related/Mariposa Development Co., L.P.,
a [Delaware] limited partnership

By: _____
Name: _____
Title: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE SITE

EXHIBIT B

FORM OF INCOME CERTIFICATION FORM

A current version of the CTCAC form may be downloaded from the State Treasurer's website at the following link: <http://www.treasurer.ca.gov/ctcac/compliance/tic.pdf>

EXHIBIT C

COMPLETION CERTIFICATE

CITY AND COUNTY OF SAN FRANCISCO
Mayor's Office of Housing and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103

The undersigned (the "Owner") hereby certifies that all aspects of the construction of the Project (as that term is used in the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of July 1, 2017, by and between the City and County of San Francisco and the Owner (the "Regulatory Agreement")) were substantially completed and available for occupancy by tenants in the Project (as defined in the Regulatory Agreement) as of _____.

The undersigned hereby certifies that:

(a) the aggregate amount disbursed on the Loan (as that term is defined in the Regulatory Agreement) to date is \$_____;

(b) all amounts disbursed on the Loan have been applied to pay or reimburse the undersigned for the payment of Project Costs (as that term is defined in the Regulatory Agreement) and none of the amounts disbursed on the Loan has been applied to pay or reimburse any party for the payment of costs or expenses other than Project Costs; and

(c) as shown on the attached sheet (showing the breakdown of expenditures for the Project and the source of the funds which were used to pay such costs), at least 95 percent of the amounts disbursed on the Loan (as that term is defined in the Regulatory Agreement) have been applied to pay or reimburse the Owner for the payment of Qualified Project Costs (as that term is defined in the Regulatory Agreement) and less than 25 percent of the amounts disbursed on the Loan, exclusive of amounts applied to pay the costs of issuing the Bonds (as that term is defined in the Regulatory Agreement), have been applied to pay or reimburse the Owner for the cost of acquiring land.

Date:

OWNER:

Related/Mariposa Development Co., L.P.,
a [Delaware] limited partnership

By: _____
Name: _____
Title: _____

cc: U.S. Bank National Association, as Trustee

EXHIBIT D

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

Project Name: 1601 Mariposa Apartments

CDLAC Application Number(s): 16-544

CDLAC Resolution Numbers: 16-202

Property Address: _____, San Francisco, California

Project Completion Date (if completed, otherwise mark N/A):

Names of Bonds: *City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B*

I. The undersigned authorized representative of Related/Mariposa Development Co., L.P., a [Delaware] limited partnership (the "Owner") hereby certifies that he/she has read and is thoroughly familiar with the provisions of the various documents associated with its participation in the City and County of San Francisco (the "City") Multifamily Housing Program, such documents including:

1. the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of July 1, 2017, between the Owner and the City (the "Regulatory Agreement"); and

2. the Loan Agreement, dated as of July 1, 2017, between the City and the Owner relating to the above-captioned bonds,

and further certifies that:

A. There have been no changes to the ownership entity, principals or property management of the Project since the Bonds were issued and delivered, or since the last certification was provided (as applicable), except as described below:

(If so please attach a request to revise the CDLAC Resolution, noting all pertinent information regarding the change, otherwise state "NONE")

If Project has not yet been placed in service, mark N/A for the balance of the items below:

B. During the preceding twelve months (i) such Project was continually in compliance with the Regulatory Agreement executed in connection with the Loan (as that term is defined in the Regulatory Agreement) from the City and (ii) and except at least one manager unit, _____ of the units in the Project were occupied by Very Low Income Tenants and ___ were occupied by DRS Tenants.

C. As of the date of this Certificate, the following percentages of completed residential units in the Project (as defined in the Regulatory Agreement) (i) are occupied by Very Low Income Tenants and DRS Tenants (as such term is defined in the Regulatory Agreement), or (ii) are currently vacant and being held available for such occupancy and

have been so held continuously since the date a Very Low Income Tenant or DRS Tenant, vacated such unit, as indicated below:

Occupied by Very Low Income Tenants:

1 bedroom units: _____	Unit Nos. _____
2 bedroom units: _____	Unit Nos. _____
3 bedroom units: _____	Unit Nos. _____
4 bedroom units: _____	Unit Nos. _____
5 bedroom units: _____	Unit Nos. _____

Total percentage occupied by Very Low Income Tenants: _____

Held vacant for occupancy continuously since last occupied by a Very Low Income Tenant:

_____%; Unit Nos. _____

Occupied by DRS Tenants:

1 bedroom units: _____	Unit Nos. _____
2 bedroom units: _____	Unit Nos. _____
3 bedroom units: _____	Unit Nos. _____
4 bedroom units: _____	Unit Nos. _____
5 bedroom units: _____	Unit Nos. _____

Total percentage occupied by DRS Tenants: _____

Held vacant for occupancy continuously since last occupied by a DRS Tenant:

_____%; Unit Nos. _____

It hereby is confirmed that each tenant currently residing in a Restricted Unit (as that term is defined in the Regulatory Agreement) in the Project has completed an Income Certification Form in the form approved by the City and that since commencement of the Qualified Project Period (as such term is defined in the Regulatory Agreement), _____ of the occupied units (excluding at least one manager's unit) in the Project have been rented to (or are vacant and last occupied by) ___ Very Low Income Tenants and by ___ DRS Tenants. The undersigned hereby certifies that the Owner is not in default under any of the terms and provisions of the above documents.

D. The units occupied by Very Low Income Tenants and DRS Tenants are of similar size and quality to other units and are dispersed throughout the Project.

E. Select appropriate certification: [No unremedied default has occurred under this Regulatory Agreement, the Bonds, the Loan Agreement or the Mortgage.] [A default has occurred under the _____. The nature of the default and the measures being taken to remedy such default are as follows: _____.]

F. There has been no change of use for the Project, except as follows: (please describe if any, or otherwise indicate "NONE")

G. Select appropriate certification: The undersigned hereby certifies that the Project [has satisfied all] [except as described below, has satisfied all] of the requirements memorialized in the Exhibit A of the CDLAC Resolution, a copy of which is attached hereto (i.e. qualifying project completion, qualifying depreciable asset purchase, qualifying loan originations, the use of public funds, manager units, income rent restrictions, sustainable building methods, etc., as applicable), and thus has achieved all public benefit requirements (excluding service amenities) as presented to CDLAC.

[Describe any requirements not satisfied: _____]

H. As captured in Exhibit A of the CDLAC Resolution, the Project has committed to and is currently providing the following service amenities for a minimum of ten years, on a regular and ongoing basis, which are provided free of charge (with the exception of day care services):

Please check the services that apply or write N/A where appropriate:

_____ After-school Programs

_____ Educational, health and wellness, or skill building classes

_____ Health and Wellness services and programs (not group classes)

_____ Licensed Childcare provided for a minimum of 20 hours per week (Monday-Friday)

_____ Bona-Fide Service Coordinator/ Social Worker

1) For this reporting period, attached is evidence (i.e. MOUs, contracts, schedules, calendars, flyers, sign-up sheets, etc.) confirming that the above listed services are being provided and have met the requirements of Exhibit A of the CDLAC Resolution.

2) If any of the above services requirements were not met, what corrective action is being taken to comply?

(Please also attach the completed project sponsor certification form as provided in the CDLAC Resolution)

(Please also attach the completed Occupancy and Rent Information form attached hereto)

I. The representations set forth herein are true and correct to the best of the undersigned's knowledge and belief, and the undersigned acknowledges and agrees that the City will be relying solely on the foregoing certifications and accompanying documentation, if any, in making its certification to CDLAC pursuant to Section 5144 of the CDLAC Regulations, and agrees to provide to the City such documentation or evidence, in support of the foregoing certifications, as the City or CDLAC may reasonably request.

Date: _____

Related/Mariposa Development Co., L.P.,
a [Delaware] limited partnership

By: _____
Name: _____
Title: _____

EXHIBIT E

CERTIFICATE AS TO COMMENCEMENT OF QUALIFIED PROJECT PERIOD

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:
City and County of San Francisco
Mayor's Office of Housing and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attention: Executive Director

\$ _____
City and County of San Francisco
Variable Rate Multifamily Housing Revenue Bonds
(1601 Mariposa Apartments), 2017 Series B

The undersigned, being the authorized representatives of Related/Mariposa Development Co., LLC, a California limited liability company, hereby certifies that: (complete blank information):

Ten percent (10%) of the dwelling units in the Project financed in part from the proceeds of the captioned Bonds were first occupied on _____; and

Fifty percent (50%) of the dwelling units in the Project financed in part from the proceeds of the captioned Bonds were first occupied on _____.

DATED:

Related/Mariposa Development Co., L.P.,
a [Delaware] limited partnership

By: _____
Name: _____
Title: _____

Acknowledged:
City and County of San Francisco

By: _____
Name: _____
Title: _____

EXHIBIT F
CDLAC RESOLUTION

EXHIBIT G

CERTIFICATE OF COMPLIANCE (CDLAC RESOLUTION)

Project Name: 1601 Mariposa Apartments

CDLAC Application No.: 16-544

Pursuant to Section 13 of Resolution No. 16-202 (the "Resolution"), adopted by the California Debt Limit Allocation Committee (the "Committee") on December 14, 2016, as extended on _____, 2017, I, _____, an Officer of the Project Sponsor, hereby certify under penalty of perjury that, as of the date of this Certification, the above-mentioned Project is in compliance with all of the terms and conditions set forth in the Resolution.

I further certify that I have read and understand Section 3 of the Resolution, which specifies that once the Bonds are executed and delivered, the terms and conditions set forth in the Resolution shall be enforceable by the Committee through an action for specific performance or any other available remedy (as further explained in Section 13 of the Resolution).

Please check or write N/A to the items listed below:

____ The project is currently in the Construction or Rehabilitation phase.

____ The project has incorporated the minimum specifications into the project design for all new construction and rehabilitation projects as evidenced by the applicable third party certification attached (HERS Rater, Green Point Rater or US Green Building Council.) For projects under construction or rehabilitation, the information is due following receipt of the verification but in no event shall the documentation be submitted more than two years after the execution and delivery of the Bonds.

____ For projects that received points for exceeding the minimum requirements please attach the appropriate California Energy Commission compliance form for the project which shows the necessary percentage improvement better than the appropriate standards. The compliance form must be signed by a California Association of Building Consultants, Certified Energy Plans Examiner or HERS Rater as applicable.

Signature of Officer

Date

Printed Name of Officer

Title of Officer

EXHIBIT H

CITY AND COUNTY OF SAN FRANCISCO MANDATORY CONTRACTING PROVISIONS

The following provisions shall apply to this Regulatory Agreement as if set forth in the body thereof. Capitalized terms used but not defined in this Exhibit shall have the meanings given in this Regulatory Agreement.

1. Conflict of Interest. Through its execution of this Agreement, Owner acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

2. Proprietary or Confidential Information of City. Owner understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Owner may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Owner agrees that all information disclosed by City to Owner shall be held in confidence and used only in performance of the Agreement. Owner shall exercise the same standard of care to protect such information as a reasonably prudent Owner would use to protect its own proprietary data.

3. Local Business Enterprise Utilization; Liquidated Damages.

a. **The LBE Ordinance.** Owner shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Owner's obligations or liabilities, or materially diminish Owner's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Owner's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Owner's obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Owner shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

b. **Enforcement.** If Owner willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Owner shall be liable for liquidated damages in an amount equal to Owner's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Contracts Monitoring Division or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of CMD") may also impose other sanctions against Owner authorized in the LBE Ordinance, including declaring the Owner to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Owner's LBE certification. The Director of CMD will determine the sanctions to be imposed, including the amount of liquidated

damages, after investigation pursuant to Administrative Code §14B.17. By entering into this Agreement, Owner acknowledges and agrees that any liquidated damages assessed by the Director of the CMD shall be payable to City upon demand. Owner further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Owner on any contract with City. Owner agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of CMD or the Controller upon request.

4. Nondiscrimination; Penalties.

a. **Owner Shall Not Discriminate.** In the performance of this Agreement, Owner agrees not to discriminate against any employee, City and County employee working with such Owner or Subcontractor, applicant for employment with such Owner or Subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. **Subcontracts.** Owner shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all Subcontractors to comply with such provisions. Owner's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. **Nondiscrimination in Benefits.** Owner does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

d. **Condition to Contract.** As a condition to this Agreement, Owner shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Contracts Monitoring Division (formerly 'Human Rights Commission').

e. **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Owner shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Owner understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Owner and/or deducted from any payments due Owner.

5. MacBride Principles—Northern Ireland. Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Owner acknowledges and agrees that he or she has read and understood this section.

6. Tropical Hardwood and Virgin Redwood Ban. Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges Owners not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

7. Drug-Free Workplace Policy. Owner acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Owner agrees that any violation of this prohibition by Owner, its employees, agents or assigns will be deemed a material breach of this Agreement.

8. Resource Conservation. Chapter 5 of the San Francisco Environment Code (“Resource Conservation”) is incorporated herein by reference. Failure by Owner to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

9. Compliance with Americans with Disabilities Act. Owner acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a Owner, must be accessible to the disabled public. Owner shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Owner agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Owner, its employees, agents or assigns will constitute a material breach of this Agreement.

10. Sunshine Ordinance. In accordance with San Francisco Administrative Code §67.24(e), contracts, Owners’ bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization’s net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

11. Limitations on Contributions. Through execution of this Agreement, Owner acknowledges that it is familiar with section 1.126 of the City’s Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Owner acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in

a fiscal year have a total anticipated or actual value of \$50,000 or more. Owner further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Owner's board of directors; Owner's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Owner; any Subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Owner. Additionally, Owner acknowledges that Owner must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Owner further agrees to provide to City the names of each person, entity or committee described above.

12. Requiring Minimum Compensation for Covered Employees.

a. Owner agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Sections 12P.5 and 12P.5.1 of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of Owner's obligations under the MCO is set forth in this Section. Owner is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Owner to pay Owner's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Owner is obligated to keep informed of the then-current requirements. Any subcontract entered into by Owner shall require the Subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Owner's obligation to ensure that any Subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any Subcontractor under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Owner.

c. Owner shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Owner shall maintain employee and payroll records as required by the MCO. If Owner fails to do so, it shall be presumed that the Owner paid no more than the minimum wage required under State law.

e. The City is authorized to inspect Owner's job sites and conduct interviews with employees and conduct audits of Owner.

f. Owner's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Owner fails to comply with these requirements. Owner agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Owner's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Owner understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law.

If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Owner fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Owner fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

h. Owner represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

i. If Owner is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Owner later enters into an agreement or agreements that cause Owner to exceed that amount in a fiscal year, Owner shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Owner and this department to exceed \$25,000 in the fiscal year.

13. Requiring Health Benefits for Covered Employees.

Owner agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of section 12Q.5.1 of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, Owner shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Owner chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

b. Notwithstanding the above, if the Owner is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Owner's failure to comply with the HCAO shall constitute a material breach of this agreement. City shall notify Owner if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, Owner fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Owner fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

d. Any Subcontract entered into by Owner shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Owner shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Owner shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Owner based on the Subcontractor's failure to comply, provided that City has first provided Owner with notice and an opportunity to obtain a cure of the violation.

e. Owner shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Owner's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Owner represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Owner shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Owner shall keep itself informed of the current requirements of the HCAO.

i. Owner shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Owner shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten business days to respond.

k. Owner shall allow City to inspect Owner's job sites and have access to Owner's employees in order to monitor and determine compliance with HCAO.

l. City may conduct random audits of Owner to ascertain its compliance with HCAO. Owner agrees to cooperate with City when it conducts such audits.

m. If Owner is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Owner later enters into an agreement or agreements that cause Owner's aggregate amount of all agreements with City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Owner and the City to be equal to or greater than \$75,000 in the fiscal year.

14. Prohibition on Political Activity with City Funds. In accordance with San Francisco Administrative Code Chapter 12.G, Owner may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. Owner agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Owner violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Owner from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider Owner's use of profit as a violation of this section.

15. Preservative-treated Wood Containing Arsenic. Owner may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Owner may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted

by the Department of the Environment. This provision does not preclude Owner from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

16. Compliance with Laws. Owner shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

17. Protection of Private Information. Owner has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Owner agrees that any failure of Owner to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Owner pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Owner.

18. Food Service Waste Reduction Requirements. Owner agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Owner agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Owner agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Owner's failure to comply with this provision

19. Submitting False Claims; Monetary Penalties. Pursuant to San Francisco Administrative Code §21.35, any Owner, Subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. A Owner, Subcontractor or consultant will be deemed to have submitted a false claim to the City if the Owner, Subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

20. Sugar-Sweetened Beverage Prohibition. The Owner agrees that it will not sell, provide, or otherwise distribute Sugar-Sweetened Beverages, as defined by San Francisco Administrative Code Chapter 101, as part of its performance of this Agreement.

[TRUSTEE]

INTERCREDITOR AGREEMENT

This INTERCREDITOR AGREEMENT (this "Agreement") dated as of _____, 2017 is entered into by and among U.S. BANK NATIONAL ASSOCIATION, as trustee under the below-described Indenture (in such capacity, together with any successor trustee under the Indenture, "Trustee"), CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation duly organized and existing under the laws of the State of California (in such capacity, together with any successor to its rights, duties and obligations, "Issuer"), and BANK OF AMERICA, N.A., in its individual capacity and in its capacity as Administrative Agent for itself and other Co-Lenders under the Reimbursement Agreement referred to below, together with any successor as Administrative Agent under said Reimbursement Agreement ("Bank").

RECITALS

A. Issuer proposes to issue, sell and deliver the City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B, in the principal amount of \$_____ (collectively, the "Bonds"), consisting of three subseries, including 2017 Series B-1 in the principal amount of \$_____ (the "Series B-1 Bonds"), 2017 Series B-2 in the principal amount of \$_____ (the "Series B-2 Bonds") and 2017 Series B-3 (Taxable) in the principal amount of \$_____ (the "Series B-3 Bonds"), pursuant to an Indenture of Trust (together with any supplements thereto, the "Indenture") by and between Trustee and Issuer dated as of _____, 2017.

B. Issuer proposes to lend the proceeds from the sale of the Bonds (the "Loan") to Related/Mariposa Development Co., L.P., a _____ limited partnership ("Borrower"), pursuant to a Loan Agreement dated as of _____, 2017, by and among Issuer, Borrower and Trustee (the "Loan Agreement") for the purpose of financing the construction and development of a multifamily rental housing development, with commercial space, located at 1601 and 1677 Mariposa Street, 485-497 Carolina Street, 395 and 420 Wisconsin Street and 210 Arkansas Street in the City of San Francisco, California on the land described in Exhibit A hereto (the "Project").

C. Issuer and Borrower will enter into a Regulatory Agreement and Declaration of Restrictive Covenants dated as of _____, 2017 (the "Regulatory Agreement"), to be recorded in the Official Records (the "Official Records") of the Recorder's Office of the City and County of San Francisco, imposing upon Borrower certain obligations intended to assure the exemption of interest on the Series B-1 Bonds and the Series B-2 Bonds from income taxation.

D. The Loan will be secured by that certain [**Construction Loan Deed of Trust, Assignment of Leases and Rents and Security Agreement with Fixture Filing**] executed by Borrower, as trustor thereunder, for the benefit of Issuer, as beneficiary thereunder (the "Bond Deed of Trust"), to be recorded in the Official Records. The Bond Deed of Trust will be, by its

terms, assigned to Trustee. The Mortgage Note, the Bond Deed of Trust and this Agreement, together with the Loan Agreement, the Regulatory Agreement, the Indenture and all other documents evidencing and securing the obligations of Borrower to repay the Loan, are collectively referred to herein as the "Bond Documents."

E. Pursuant to the Indenture, Issuer will assign to Trustee, and to Bank to the extent of Issuer's rights, certain of its rights under the Bond Documents.

F. Pursuant to that certain Letter of Credit Reimbursement, Disbursement and Security Agreement of even date herewith (the "Senior Reimbursement Agreement") by and between Bank, in its individual capacity and as administrative agent for other "Co-Lenders" thereunder, and Borrower, Bank, for the account of Borrower, will issue its letter of credit in the stated amount of \$[128,200,000] to Trustee for the benefit of the holders of the Outstanding Series B-1 Bonds under the Indenture. In addition, Bank will issue its letter of credit in the stated amount of \$_____ to Trustee for the benefit of the holder of the Outstanding Series B-2 Bonds and Series B-3 Bonds under the Indenture pursuant to a reimbursement agreement dated as of [July 1], 2017 between Bank and The Board of the State Teachers Retirement System of Ohio ("STRS"), as account party (the "Second Reimbursement Agreement", and, together with the Senior Reimbursement Agreement, collectively, the "Reimbursement Agreement"). As used herein, the term "Letter of Credit" shall mean, collectively, the above-described letters of credit, together with any amendments thereto and any substitute letters of credit therefor issued by Bank. Under the Senior Reimbursement Agreement and the Second Reimbursement Agreement, Borrower or STRS, as applicable, is obligated, inter alia, to reimburse Bank for any amounts paid by Bank under the Letter of Credit.

G. The obligations of Borrower to Bank under the Senior Reimbursement Agreement and the obligations of STRS to Bank under the Second Reimbursement Agreement shall be secured by that certain Construction Deed of Trust, Assignment of Leases and Rents and Security Agreement with Fixture Filing executed by Borrower, as trustor thereunder, for the benefit of Bank in its capacity as Administrative Agent, as beneficiary thereunder (the "Bank Deed of Trust"), to be recorded in the Official Records. The Bank Deed of Trust, together with the Letter of Credit, the Senior Reimbursement Agreement, the Second Reimbursement Agreement, and all other documents evidencing, securing or guarantying the obligations of Borrower or STRS, as applicable, to Bank under the Reimbursement Agreement (including, without limitation, the other Credit Facility Documents, as defined in the Senior Reimbursement Agreement) are collectively referred to herein as the "Bank Documents."

H. The parties desire to enter into this Intercreditor Agreement with respect to their exercise of certain rights, remedies and options under the Bond Documents and the Bank Documents.

I. Issuer has requested Trustee to enter into this Agreement.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises set forth herein and other consideration, the receipt and adequacy of which is hereby acknowledged, covenant and agree as follows:

ARTICLE I
DEFINITIONS; RECITALS

All capitalized terms used in this Agreement and not otherwise defined shall have the respective meanings assigned to such terms in the Senior Reimbursement Agreement, or if not defined therein then in the Indenture. The Recitals set forth in Paragraphs A through I above are incorporated herein in their entirety.

ARTICLE II
EXERCISE OF RIGHTS UNDER
BOND DOCUMENTS AND BANK DOCUMENTS

So long as (i) Bank has not failed to honor a property presented and conforming draw request under the Letter of Credit or, in the event of such failure, such failure has not resulted in an Event of Default under the Indenture[, and (ii) **the Letter of Credit has not been rescinded, repudiated or terminated, whether by operation of law or otherwise - BofA has requested this be deleted**], the following provisions shall be applicable and Bank may exercise its rights hereunder without the requirement of further consent from Trustee:

Section 2.1. Bank's Authority.

(a) Upon the occurrence of an Event of Default under any Bank Document, Bank shall be permitted and is hereby authorized to take any and all actions and to exercise any and all rights, remedies and options which it may have under the Bank Documents or Bond Documents, or at law or in equity, to cause such default to be cured, to take possession of the Project through a receiver or otherwise, or to foreclose, whether by judicial action or by the power of sale granted in the Bank Deed of Trust, the lien of the Bank Deed of Trust and cause the Project or any part thereof to be sold (or accept a deed therefor in lieu of foreclosure), and otherwise realize upon the property mortgaged, pledged or assigned to or for the benefit of Bank under the Bank Documents, without objection or interference by Issuer and Trustee.

(b) Notwithstanding anything to the contrary in the Bond Deed of Trust or the other Bond Documents, if the Project, or any part thereof, is taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner, Bank shall be entitled to all compensation, awards, damages, rights of action, proceeds and other payments or relief therefor (collectively, "Condemnation Proceeds") as provided in the Bank Deed of Trust and the Senior Reimbursement Agreement. Trustee hereby absolutely and unconditionally assigns to Bank any and all right, title and interest Trustee may have in Condemnation Proceeds pursuant to the Bond Deed of Trust and agrees to execute such further assignments of the Condemnation Proceeds as Bank may require. All Condemnation Proceeds shall be delivered to and held by Bank to be applied by Bank as provided in the Bank Deed of Trust.

(c) Notwithstanding anything to the contrary in the Bond Deed of Trust or the other Bond Documents, if the Project, or any part thereof, is damaged or destroyed by an occurrence against which Borrower or then owner of the Project is insured, Bank shall be entitled to all insurance proceeds related to such occurrence ("Insurance Proceeds") as provided in the

Bank Deed of Trust and the Senior Reimbursement Agreement. Trustee hereby absolutely and unconditionally assigns to Bank any and all right, title and interest Trustee may have in Insurance Proceeds pursuant to the Bond Deed of Trust and agrees to execute such further assignments of the Insurance Proceeds as Bank may require. All Insurance Proceeds shall be delivered to and held by Bank to be applied by Bank as provided in the Bank Deed of Trust.

(d) Nothing herein is intended to limit the rights of Issuer and Trustee to take such action, other than any action pursuant to the Bond Deed of Trust or against any security for the Bonds, to collect amounts owing under paragraphs (b), (c), (e), (f), (g) and (i) of Section 5.1 of the Loan Agreement or amounts owing with respect to any Unassigned Right (as defined in the Indenture).

Section 2.2. Regulatory Agreement.

(a) Except as otherwise expressly permitted by subparagraphs (b) and (c) below with respect to defaults by Borrower under the Regulatory Agreement, Trustee shall not, without Bank's prior written consent, which Bank may grant or withhold in its sole and absolute discretion, take any action to declare the Outstanding Bonds, or the Loan, to be due pursuant to the Indenture or the Loan Agreement, to take possession of the Project through a receiver or otherwise, to foreclose, whether by judicial action or by the power of sale granted in the Bond Deed of Trust, the lien of the Bond Deed of Trust or to sell any property covered thereby, to enforce its rights with respect to Condemnation Proceeds or Insurance Proceeds pursuant to the Bond Deed of Trust or to enforce any other remedy or exercise any right against any of the property described in the Bond Deed of Trust or the security agreement contained therein.

(b) If Borrower defaults in the performance or observance of any covenant, agreement or obligation of Borrower set forth in the Regulatory Agreement, and such default remains uncured for a period of sixty (60) days after Borrower and Bank receive written notice from Trustee stating that a Regulatory Agreement default has occurred and specifying the nature of such default, then Trustee shall thereafter have the right, without Bank's consent, to declare the Outstanding Bonds to be due pursuant to the Indenture and the Loan Agreement on account of such default, and to call the Bonds for redemption in accordance with the Indenture, unless:

(i) Trustee, prior to the end of such sixty (60) day period, receives an opinion of Bond Counsel to the effect that the failure to cure such default will not have a materially adverse effect on the exemption from income taxation of interest on the Series B-1 Bonds and Series B-2 Bonds, or

(ii) if such default is reasonably curable by Bank without first taking possession of the Project, action to cure such default is instituted within said sixty (60) day period and diligently pursued thereafter until such default is cured, or

(iii) if such default is not reasonably curable by Bank without first securing possession of the Project, Bank (A) institutes, within said sixty (60) day period, foreclosure proceedings or other action for the purpose of obtaining such possession, (B) thereafter diligently pursues such proceedings until such possession is obtained, and (C) diligently pursues action to cure such defaults after it obtains possession of the Project, until such

default is cured; provided, however, that the sixty (60) day period provided in this paragraph 2.2(b)(iii) shall be tolled so long as any stay of any act against the Project or any part thereof under Bankruptcy Code Section 362(a) (11 U.S.C. § 362(a)) is in effect as to Bank;

provided, further, that no extension or tolling pursuant to paragraph (ii) or (iii) above of the sixty (60) day period (within which the cure of a Regulatory Agreement default must be completed or diligently pursued to completion) shall be effective unless, in the opinion of Bond Counsel (as set forth in an opinion delivered to Trustee), such extension will not materially and adversely affect the exemption from income taxation of interest on the Series B-1 Bonds and the Series B-2 Bonds; and provided, further, that Trustee, upon five (5) Business Days' prior written notice to Bank following any such default under the Regulatory Agreement, may reduce the sixty (60) day period provided above to such shorter period of time as is specified in such notice (but in no event less than fifteen (15) Business Days), but only if Trustee has received an opinion of Bond Counsel that such reduction of such period is necessary to preserve the exemption from income taxation of interest on the Series B-1 Bonds and the Series B-2 Bonds.

(c) In the event of a default under the Regulatory Agreement which remains uncured after (i) written notice thereof to Borrower and Bank and (ii) expiration of the applicable cure period set forth in the Regulatory Agreement, nothing in this Section 2.2 shall restrict or in any way limit the right of Issuer or Trustee to take any action available under the Regulatory Agreement or at law or in equity in order to enforce the terms of the Regulatory Agreement, so long as Trustee takes no action to declare the Outstanding Bonds or the Loan to be due pursuant to the Indenture or the Loan Agreement on account of such default or to foreclose the lien of the Bond Deed of Trust, except in accordance with paragraphs 2.2(a) and (b) above.

(d) Nothing in this Section 2.2 shall restrict or in any way limit the actions required to be taken by Trustee under the Indenture in connection with any purchase of Bonds, or the payment of interest thereon, or in connection with any mandatory redemption of the Bonds at or prior to maturity pursuant to Section 602(a) of the Indenture, or the application by Trustee of any funds held under the Indenture, or the submission of any claim and the collection and application of any funds paid to Trustee under the Letter of Credit.

Section 2.3. Bank Transferee Purchase. Bank (or an entity designated by Bank), without any obligation to do so, may become the legal or beneficial owner of the Project by foreclosure, deed in lieu of foreclosure, or otherwise, whereupon:

(a) Trustee shall, for all intents and purposes, deem Bank or its designee (Bank or such designee, as the case may be, the "Bank Transferee") to be the "Borrower" under the Bond Documents, as substitute obligor thereunder, effective when and if such Bank Transferee delivers to Trustee, within ten (10) days after such transfer, (i) a written notice of such substitution, (ii) written confirmation that the Letter of Credit is still in force and effect, and (iii) a written instrument assuming and agreeing to perform all of Borrower's obligations and covenants under the Bond Documents (including, without limitation, the Regulatory Agreement) accruing from and after the date of such transfer; provided, however, that Trustee agrees (and such assumption agreement shall provide) that such Bank Transferee shall have no liability beyond its interest in the Project for any of

Borrower's obligations under the Bond Documents, except that Bank Transferee shall be personally liable for (1) Borrower's obligation under the Bond Documents to indemnify Issuer and Trustee to the extent set forth in Section 6.8 of the Loan Agreement for claims, losses, costs, damages, fees, expenses, suits, judgments, actions and liabilities resulting from defaults by Bank Transferee under the Regulatory Agreement during the period that such Bank Transferee holds the legal title to the Project, (2) Borrower's obligation under Section 5.1(c) and (i) of the Loan Agreement to pay the fees and expenses described in such Section accruing during the period that such Bank Transferee holds legal title to the Project (but no indemnification shall be provided by Bank Transferee as would otherwise be required in Section 5.1) and (3) Borrower's obligation under Section 7.4 of the Loan Agreement to pay reasonable attorneys' fees and enforcement expenses of Issuer or Trustee with respect to any default under the Loan Agreement by Bank Transferee occurring during the period that such Bank Transferee holds legal title to the Project.

(b) Bank Transferee may thereafter transfer its interest in the Project to a third party, or a third party may purchase the Project at a foreclosure sale thereof, and such third party shall thereupon be deemed to be the "Borrower" under the Bond Documents, as substitute obligor thereunder, subject to compliance with Section 11 of the Regulatory Agreement, effective when and if such transferee delivers to Trustee, within ten (10) days after such transfer, (i) an Alternate Credit Facility with respect to the Bonds that meets the requirements of the Indenture or written confirmation of Bank that its Letter of Credit is still in force an effect, (ii) a written instrument assuming and agreeing to perform all obligations of Borrower under the Bond Documents (including Borrower's obligations under the Loan Agreement and [Sections 2, 3, 4 and 19] of the Regulatory Agreement) accruing from and after the date of such transfer, with the benefit, however, of any non-recourse provisions (subject to the same conditions as set forth in paragraphs 2.3(a)(iii)(1), (2) and (3) above) contained in the Bond Documents, and (iii) an opinion of counsel to the transferee that such transferee has duly assumed the obligations of Borrower under the Regulatory Agreement and that such obligations and the Regulatory Agreement are binding on the transferee. Upon completion of any transfer in accordance with this paragraph 2.3(b), Bank Transferee shall thereafter be relieved of any further liability for Borrower's obligations under the Bond Documents accruing from and after the date of such transfer.

(c) Trustee and Issuer hereby approve any transfer of title to the Project to a Bank Transferee, or by a Bank Transferee to a third party, or to or by a third party purchaser at a foreclosure sale thereof, so long as such transfer complies with the requirements set forth in paragraph 2.3(a) or (b) above, whichever is applicable. Trustee and Issuer further agree to permit an assumption of the obligations of Borrower under the Loan Agreement, the Regulatory Agreement and the Bond Deed of Trust (if applicable) by a purchaser of the Project at a foreclosure sale thereof or a Bank Transferee if Bank acquires the Project at such a foreclosure sale or by a deed in lieu of foreclosure.

Section 2.4. Further Assurances. Issuer and Trustee will cooperate with Bank and take any action, including joining in such proceedings at law or in equity and executing such documents as Bank may reasonably request and direct, to enforce the obligations of Borrower under the Bond Documents and the Bank Documents, and in order that the rents, issues, profits, revenues and other income from the Project (including any proceeds of rent or Insurance Proceeds

or Condemnation Proceeds) that are mortgaged, pledged or assigned to Issuer and Trustee and jointly to Bank shall be available, after the payment of all costs and expenses of collection, to pay any outstanding and unpaid obligations of Borrower under the Loan Agreement (but only if Issuer or Trustee is entitled under the Bond Documents to receive and apply such rents, issues, profits, revenues and other income for such purpose), subject to Bank's rights of subrogation and rights under the Reimbursement Agreement and the other Bank Documents, in such order and manner as Bank shall determine. Bank, in consideration for the foregoing agreement by Trustee, agrees to pay, and to indemnify Trustee against, all costs, fees and expenses (including reasonable attorneys' fees and expenses) incurred by Trustee in connection with any action taken by it at the request and direction of Bank; provided, however, that Bank shall not be obligated (i) to pay any costs, fees or expenses which Trustee may suffer or incur by reason of the negligent or willful failure of Trustee to perform the trusts and duties imposed upon it under the Indenture, or (ii) to pay any costs, fees or expenses which Trustee may incur by reason of Trustee's exercise or failure to exercise any power or discretion other than at Bank's direction.

Section 2.5. Approvals. Solely for the purposes of the Bond Deed of Trust and the security agreement contained therein, Issuer and Trustee shall be deemed to have approved any matters as to which Borrower is required to obtain Trustee's approval under the terms of such documents if the matter in question shall have been approved in writing by Bank. Trustee shall promptly execute and deliver to Bank such instruments as Bank may reasonably request to evidence such approval.

Section 2.6. Deeds of Trust. The Bond Deed of Trust shall be a first lien deed of trust; the Bank Deed of Trust shall be a second lien deed of trust, subject only to the prior lien of the Bond Deed of Trust. Any deed of trust held by STRS shall be a third lien deed of trust. The parties hereto acknowledge the right of STRS, subject to its agreements with Bank, to acquire the interests of Bank under the Bank Deed of Trust, provided, however, that the foregoing shall not be deemed to supersede or modify or constitute a waiver of any provisions of this Agreement, the Regulatory Agreement or the Indenture.

ARTICLE III NOTICE OF DEFAULT

Trustee shall give to Bank a copy of any notice or other communication given by it to Borrower with respect to any Event of Default (as defined in the applicable Bond Documents), or with respect to any other occurrence that would give Trustee the right to accelerate the maturity or require prepayment of all or any portion of any outstanding and unpaid obligations of Borrower under the Loan Agreement, or with respect to any event which, with notice or the lapse of time or both, would constitute such an Event of Default or would permit such acceleration (collectively, a "Significant Event"). Such copy shall be given to Bank in the same manner and at the same time as the corresponding notice or communication is given to Borrower under the applicable Bond Document, and before Trustee exercises any right or remedy available to it under any Bond Document or at law or in equity. If a Significant Event occurs for which no notice is required to be given to Borrower, Trustee shall deliver a notice of such Significant Event to Bank promptly upon learning of its occurrence, and before Trustee exercises any right or remedy available to it under any Bond Document or at law or in equity. Bank shall give to Issuer a copy of any notice

given by Bank to Trustee of the occurrence of an Event of Default (as defined in the Reimbursement Agreement), but failure to do so shall not limit or restrict Bank's rights hereunder or under any Bank Document.

ARTICLE IV TRUSTEE'S RECORD

Bank may, at any reasonable time during regular business hours, under reasonable circumstances and upon reasonable notice to Trustee, examine or copy any letter, account, or other documentation or information in the possession or control of Trustee relating to or connected with the Project, the Bonds or collections under the Loan Agreement. Trustee shall, at the reasonable request of Bank, take reasonable steps to obtain for Bank any information or documents in the possession of any third party and available to Trustee relating to or in connection with the Project or the Bonds. Any reasonable expenses incurred by Trustee in its compliance with this Article 4 shall be promptly paid by Bank.

ARTICLE V AGREEMENT FOR BENEFIT OF PARTIES

Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon, or to give to, any person other than Issuer, Trustee and Bank and their respective successors and assigns, any rights, remedy or claim. This Agreement is for the sole and exclusive benefit of Issuer, Trustee and Bank and their respective successors and assigns.

ARTICLE VI SEVERABILITY

If one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect, the remaining provisions shall not in any way be affected.

ARTICLE VII NOTICES

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered by courier, or mailed by first-class mail, postage prepaid, with the proper address as indicated below. Each party may, by written notice given to the other parties, designate any other address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Agreement. Until otherwise so provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

If to Trustee:

U.S. Bank National Association
One California Street, Suite 1000
Mail Code: SF-CA-SFCT
San Francisco, California 94111
Attention: Mr. Andrew Fung

If to Issuer:

Mayor's Office of Housing and Community Development
City and County of San Francisco
1 S. Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attention: Executive Director

If to Bank:

Bank of America, N.A.
One Bryant Park, 35th Floor
New York, New York 10036
Attention: Mr. Rod Salguero

and to:

Bank of America, N.A.
IL4-540-28-27
540 W Madison Street
Chicago, Illinois 60661
Attention: Mr. Ryan Denes

with a copy to:

Schiff Hardin LLP
666 Fifth Avenue, 17th Floor
New York, New York 10103
Attention: Russel T. Hamilton, Esq.

ARTICLE VIII SUCCESSORS AND ASSIGNS

Whenever in this Agreement any of the parties hereto is named or referred to, the permitted successors and assigns of such party shall be deemed to be included, and all covenants, promises and agreements in this Agreement contained by and on behalf of the respective parties hereto shall bind and inure to the benefit of the respective successors and assigns of such parties, whether so expressed or not.

ARTICLE IX
COUNTERPARTS

This Agreement may be executed in any number of counterparts, each executed counterpart constituting an original, but all counterparts together constituting only one Agreement.

ARTICLE X
GOVERNING LAW

This Agreement and the rights and obligations of the parties shall be governed by and construed and enforced in accordance with the laws of the State of California, excluding its conflict of interest rules.

ARTICLE XI
NO IMPAIRMENT OF OTHER RIGHTS

Nothing in this Agreement is intended or shall be construed to impair, diminish or otherwise adversely affect any other rights Bank may have or may obtain against Borrower including, but not limited to, Bank's rights as a holder or pledgee of the Bonds, in the event it shall be or become a holder thereof, and Bank's right(s) of subrogation.

ARTICLE XII
LETTER OF CREDIT NOT IMPAIRED; REMEDIES

No failure of Trustee or Issuer to perform any undertaking or honor any agreements under this Agreement shall affect the obligation of Bank on the Letter of Credit, but Bank, Trustee and Issuer shall each have full right and power to enforce the undertakings, covenants and agreements of the parties hereto directly against such other parties by suit for specific performance or claims for damages or a combination of the foregoing. In the event of any dispute between the parties hereto arising out of this Agreement, the prevailing party shall be entitled to recover from the losing party all fees, costs and expenses, including, without limitation, reasonable attorneys' fees and the allocated costs of in-house counsel, incurred by such prevailing party in connection with such dispute.

ARTICLE XIII
SUBROGATION; ASSIGNMENT

Trustee agrees that Bank shall be subrogated to its rights and remedies under the Bond Documents upon and to the extent of Bank's payment (whether pursuant to the Letter of Credit or otherwise) of the principal of, or interest on the Bonds, or the payment (whether pursuant to the Letter of Credit, or otherwise) or performance of any obligation under the Bond Documents. Subject to the indemnification provisions of Section 2.4 hereof, Trustee agrees to cooperate with

Bank in connection with Bank's enforcement of any of such rights and remedies and agrees not to take any actions (except to enforce the Regulatory Agreement as permitted hereunder) that would prejudice the exercise of such rights of subrogation. Upon payment by Bank to Trustee of an amount sufficient to pay or redeem all Bonds Outstanding, and receipt by each of Trustee and Issuer of all other amounts outstanding under the Loan Agreement and Indenture, including its fees and expenses and reasonable expenses of its attorneys (or the making of adequate provisions for the payment of such amounts, as permitted by the Indenture), Trustee or Issuer, as applicable, upon the request of Bank, shall promptly deliver or cause to be delivered to Bank (a) the original Mortgage Note, the original Bond Deed of Trust and the other Bond Documents, and all funds, securities, and other property held by Trustee pursuant to the Bond Documents (including any documents or instruments evidencing or securing the same), other than that required for the payment or redemption of any Bonds; (b) assignments to Bank, in form satisfactory to Bank, of all of the respective rights, titles and interests of Trustee and Issuer in and to the Mortgage Note, the Bond Deed of Trust and the other Bond Documents, and in and to such funds, securities and other property; (c) all amounts in all Revenues held by Trustee or otherwise pledged to Trustee; and (d) executed UCC Termination Statements in form and substance satisfactory to Bank, as requested by Bank. Upon receipt of such original documents, Bank or Bank Transferee shall be entitled to all rights of the owner thereof, and among other things, shall be entitled to release and reconvey any or all of the Bond Deed of Trust and other security interests.

ARTICLE XIV HEADING

Headings herein are for convenience only and shall not be relied upon in interpreting or enforcing this Agreement.

ARTICLE XV DUTIES OF TRUSTEE

Except as otherwise expressly set forth herein, nothing contained herein shall be construed to impose any duties upon Trustee beyond those contained in the Indenture, and immunities, indemnities and other provisions of the Indenture insofar as related to the duties and liabilities of Trustee shall apply to this Agreement.

ARTICLE XVI AMENDMENT; WAIVERS

No modification, amendment, or waiver of any provision of this Agreement or consent to any departure therefrom shall be effective unless executed by the parties to this Agreement. Any forbearance, failure, or delay by a party hereto, in exercising any right, power, or remedy hereunder or under the Bond Documents or the Bank Documents or under law, shall not be deemed to be a waiver thereof, and any single or partial exercise by a party of any right, power, or remedy shall not preclude the further exercise thereof. Every right, power, and remedy

of a party shall continue in full force and effect until specifically waived by the party, in writing. Issuer and Trustee agree that they will not enter into any amendment, change or modification of any of the Bond Documents without the express prior written consent to such amendment, change or modification of the other parties hereto except for amendments referred to in Section 1002(j) of the Indenture which shall not require the approval of Bank; provided, however that each party agrees that it will not unreasonably withhold its consent to any amendment, change or modification requested by another party hereto if its interests and, in the case of Trustee, the interests of the holders from time to time of the Bonds, are not adversely affected thereby.

ARTICLE XVII JOINT DRAFTING

The parties hereto acknowledge that each of the parties to this Agreement and their respective counsel have participated in the drafting and revision of this Agreement. Accordingly, the parties agree that Bank shall not be deemed to be the drafting party of this Agreement for purposes of any rule of construction which disfavors the drafting party.

ARTICLE XVIII TERMINATION

This Agreement shall terminate when the Bond Deed of Trust has been reconveyed.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Issuer, Trustee and Bank have caused this Intercreditor Agreement to be executed in their respective corporate names, as of the date first above written.

TRUSTEE

By _____
Name:
Title:

BANK

BANK OF AMERICA, N.A.

By _____
Name:
Title:

ISSUER

CITY AND COUNTY OF SAN FRANCISCO

By _____
Name:
Title:

STATE OF CALIFORNIA)
) ss:
CITY AND COUNTY OF SAN FRANCISCO)

On _____, 2017, before me, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity on behalf of which the person acted, executed the instrument.

Witness my hand and official seal,

Notary Public in City and County of San Francisco

STATE OF CALIFORNIA)
) ss:
CITY AND COUNTY OF SAN FRANCISCO)

On _____, 2017, before me, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity on behalf of which the person acted, executed the instrument.

Witness my hand and official seal,

Notary Public in City and County of San Francisco

STATE OF NEW YORK)
) ss:
CITY AND COUNTY OF NEW YORK)

On _____, 2017, before me, personally appeared _____ and _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity on behalf of which the persons acted, executed the instrument.

Witness my hand and official seal,

Notary Public in County of New York

STATE OF CALIFORNIA)
) ss:
CITY AND COUNTY OF SAN FRANCISCO)

On _____, 2017, before me, personally appeared _____ and _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity on behalf of which the persons acted, executed the instrument.

Witness my hand and official seal,

Notary Public in City and County of San Francisco

EXHIBIT A

Legal Description

Print Form

Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED
 BOARD OF SUPERVISORS
 SAN FRANCISCO
 2017 MAY 23 PM 3:04
 Time stamp
 or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Cohen

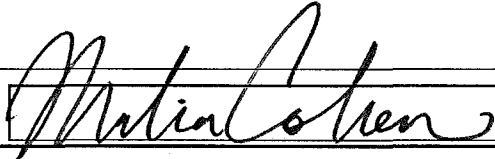
Subject:

Multifamily Housing Revenue Bonds - 1601 Mariposa Apartments - Not to Exceed \$240,000,000

The text is listed:

Attached

Signature of Sponsoring Supervisor:



For Clerk's Use Only

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)**

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s):	City elective office(s) held:
Members, Board of Supervisors	Members, Board of Supervisors

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: Related/Mariposa Development Co., L.P.	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
Relevant officers/agents of Related California Residential, LLC, Contractor's parent entity, and relevant affiliates—	
(1) N/A	
(2) Chief Executive Officer: William A. Witte President: Gregory Vilkin Chief Financial Officer: Katherine Venezia	
(3) Stephen M. Ross, Chairman, The Related Companies, L.P. Jeff T. Blau, CEO, The Related Companies, L.P.	
(4) N/A	
(5) N/A	
Contractor address: Related California Residential, LLC 44 Montgomery Street Suite 1300 San Francisco, CA 94104	
Date that contract was approved:	Amount of contract: \$240,000,000
Describe the nature of the contract that was approved: Funds provided in connection with construction of 1601 Mariposa Apartments, a mixed-income rental housing complex for which the City is issuing tax-exempt multifamily housing revenue bonds.	
Comments:	

This contract was approved by (check applicable):
 the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: **San Francisco Board of Supervisors**

Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

