

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.

TABLE OF CONTENTS

	Page
INTRODUCTION	1
General.....	1
Authority for Issuance.....	2
Overview of the Transaction.....	2
Limited Obligations	4
Other Matters	4
THE BONDS	5
General Description of the Bonds.....	5
Determination of Interest Rate.....	5
Conversion to Alternate Rate.....	6
Payments Due on Other Than Business Days.....	7
Certain Restrictions on Transfer and Remarketing.....	7
Mandatory Tender on Conversion	7
Mandatory Tender on Substitution of Letter of Credit	8
Grace Period for Providing Substitute Letter of Credit Following Wrongful Dishonor.....	8
Mandatory Tender on Termination or Expiration of Credit Facility	9
Notice of Mandatory Tender.....	9
Demand Purchase Option	9
Purchase of Bonds.....	11
Additional Bonds; Additional Indebtedness	11
Remarketing Agent	12
Disclosure Concerning Sales by Remarketing Agent	12
Redemption of the Bonds.....	13
Registration, Transfer and Exchange of Bonds	16
SECURITY FOR THE BONDS	16
The Letters of Credit.....	16
Pledge Under the Indenture	17
Deed of Trust and Bond Intercreditor Agreement	18
ESTIMATED SOURCES AND USES.....	20
SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENTS AND THE LETTERS OF CREDIT	20
Issuance of the Letters of Credit	20
The Series B-1 Reimbursement Agreement and the Series B-1 Letter of Credit	20
The Series B-2 & B-3 Reimbursement Agreement and the Series B-2 & B-3 Letter of Credit	22
Indenture Provisions Respecting the Letter of Credit.....	26
THE BANK	27
THE CITY AND COUNTY OF SAN FRANCISCO.....	28
THE PROJECT AND THE BORROWER.....	28
The Project.....	29
The Plan of Finance	30
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:	30

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.....		30
The Borrower and Affiliates		30
The Regulatory Agreement.....		31
CERTAIN BONDOWNERS’ RISKS		31
General.....		31
The Letters of Credit and the Bank.....		32
Limitations Relating to Remedies under the Deed of Trust.....		32
Limitations Relating to Remedies under the Indenture and the Bond Intercreditor Agreement.....		33
The Book-Entry System.....		33
Tax-Exempt Status of Tax-Exempt Bonds		34
TAX MATTERS.....		34
Opinion of Bond Counsel		34
Changes in Mode and Other Actions		35
Other Tax Matters		35
UNDERWRITING		35
RATINGS		36
MUNICIPAL ADVISOR.....		36
ABSENCE OF MATERIAL LITIGATION.....		36
The City		36
The Borrower.....		37
CERTAIN LEGAL MATTERS.....		37
CONTINUING DISCLOSURE.....		38
MISCELLANEOUS		38
APPENDIX A	DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL DOCUMENTS	
APPENDIX B	FORMS OF LETTERS OF CREDIT	
APPENDIX C	BOOK-ENTRY SYSTEM	
APPENDIX D	FORM OF OPINIONS OF CO-BOND COUNSEL	
APPENDIX E	FORM OF TENDER NOTICE	
APPENDIX F	FORM OF CONTINUING DISCLOSURE AGREEMENT	

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 Curlls 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 of 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