

BOND PURCHASE AGREEMENT

\$[_____]
City and County of San Francisco
Variable Rate Demand
Multifamily Housing Revenue Bonds
(Transbay Block 8 Tower Apartments)
2016 Series H-[__]

\$[_____]
City and County of San Francisco
Variable Rate Demand
Multifamily Housing Revenue Bonds
(Transbay Block 8 Tower Apartments)
2016 Series H-[__] (Taxable)

November __, 2016

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

T8 Urban Housing Associates, LLC
T8 Urban Condo Owner, LLC
c/o Related California
44 Montgomery Street, Suite 1300
San Francisco, California 94104
Attention: Gregory Vilkin

Ladies and Gentlemen:

[UNDERWRITER] (the "Underwriter") hereby offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with T8 Urban Housing Associates, LLC, a Delaware limited liability company, and T8 Urban Condo Owner, LLC, a Delaware limited liability company (jointly and severally, the "Borrower"), and the City and County of San Francisco (the "Issuer"), a municipal corporation organized and validly existing under the laws of the State of California (the "State"), whereby the Underwriter will purchase and the Issuer will sell its [\$ _____ Variable Rate Demand Multifamily Housing Revenue Bonds (Transbay Block 8 Tower Apartments) 2016 Series H-[__] (the "Series H-[__] Bonds" or the "Tax-Exempt Bonds"), and its \$ _____ Variable Rate Demand Multifamily Housing Revenue Bonds (Transbay Block 8 Tower Apartments) 2016 Series H-[__] (Taxable) (the "Series H-[__] Bonds" or the "Taxable Bonds" and together with the Series H-[__] Bonds, the "Bonds") for the benefit of the Borrower. The Underwriter is making this offer subject to your acceptance at or before 2:00 P.M., Pacific Time, on the date hereof. If the Borrower and the Issuer accept this Purchase Agreement, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall bind the Borrower, the Issuer and the Underwriter. The Underwriter may withdraw this Purchase Agreement upon written notice delivered by the Underwriter to the Borrower and the Issuer at any time before the Borrower and the Issuer accept this Purchase Agreement. Capitalized terms used but not defined in this Purchase Agreement are defined in the Indenture (as defined below).

1. Purchase and Sale. On the Closing Date, upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, the full aggregate principal amount of the Bonds for a purchase price of 100% of the aggregate principal amount of the Bonds. The aggregate principal amount of the Bonds is \$_____. [Goldman: The Borrower shall cause to be paid to the Underwriter a fee in the amount of \$_____ (not including the fees and expenses of its counsel) (the “Underwriting Fee”), from which the Underwriter will pay certain fees and expenses.][Citi: The Borrower agrees to pay to the Underwriter, as compensation for its services, an underwriting fee equal to \$_____ (the “Underwriting Fee”), from which the Underwriter will pay certain expenses, including the fees and expenses of its counsel.] The Underwriting Fee shall be due and payable in immediately available funds on the Closing Date (as defined herein), solely and exclusively from funds provided by the Borrower.

The Issuer will deliver the Bonds to or for the account of the Underwriter against payment of the purchase price therefor by wire transfer of immediately available funds to the Trustee at or prior to 10:00 A.M., Pacific Time, on the Closing Date as set forth in Section 6 hereof, or at such other time not later than seven days thereafter as the Underwriter, the Borrower and the Issuer shall mutually agree. One Series H-[] Bond and one Series H-[] Bond will be delivered, registered in the name of Cede & Co. to the Trustee as agent for The Depository Trust Company on or prior to the Closing Date. The Bonds may be in printed, engraved, typewritten or photocopied form, and each such form shall constitute a “definitive” form.

Closing on the Bonds is contingent on the closing on or prior to the date of closing of the Bonds of the other financing sources related to the TB8 Project (as defined in the Official Statement), including, without limitation, the closing and issuance of [(i) the \$_____ City and County of San Francisco Variable Rate Demand Multifamily Housing Revenue Bonds (Transbay Block 8 Tower Apartments), 2016 Series H-[] (the “Series H-[] Bonds”), (ii) the \$_____ City and County of San Francisco Variable Rate Demand Multifamily Housing Revenue Bonds (Transbay Block 8 Tower Apartments), 2016 Series H-[] (Taxable) (the “Series H-[] Bonds”), (iii) the City and County of San Francisco Multifamily Housing Revenue Note (Transbay Block 8 Tower Apartments), 2016 Series I (the “Series I Note”), and (iv) the City and County of San Francisco Multifamily Housing Revenue Note (Transbay Block 8 Tower Apartments), 2016 Series J (the “Series J Note”).

The Borrower and the Issuer each acknowledges and agrees that: (i) the primary role of the Underwriter, as an underwriter, is to purchase securities, for resale to investors, in an arm’s length commercial transaction among the Issuer, the Borrower and the Underwriter and the Underwriter has financial and other interests that differ from those of the Issuer and the Borrower; (ii) the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer or the Borrower and has not assumed any advisory or fiduciary responsibility to the Issuer or the Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer or the Borrower on other matters); (iii) the only obligations the Underwriter has to the Borrower and the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (iv) the Borrower and the Issuer

have consulted their respective financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent each has deemed appropriate.

2. Description and Purpose of the Bonds. The Bonds have been authorized pursuant to (i) the Charter of the City and County of San Francisco, Article I of Chapter 43 of the Administrative Code of the City and County of San Francisco Municipal Code and Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, each as amended (collectively, the “Act”), (ii) a resolution, adopted by the Issuer on _____ (the “Resolution”), and (iii) the Indenture of Trust, dated as of November 1, 2016 (the “Indenture”), by and between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”). The Bonds shall be dated November __, 2016.

The proceeds of the sale of the Bonds will be used to finance a portion of the cost of acquiring, constructing and equipping that portion of a multifamily residential rental housing project by the name of Transbay Block 8 Tower Apartments, consisting of approximately 350-units constituting a portion of a high rise tower to be located at 450 Folsom Street in San Francisco, California (the “Project”). Of the total 350-units, 70-units will be below market rate units, 278-units will be market rate units and 2 units will be for the superintendent.

The Bonds will be issued and fully funded on the Closing Date, with stated principal amounts as shown in the bond caption on the first page hereof. The Bonds will be secured under the provisions of the Act, the Indenture and the Loan Agreement, dated as of November 1, 2016, among the Borrower, the Trustee, and the Issuer (the “Loan Agreement”). The Bonds shall mature in the years, bear interest, be purchased at the prices and be subject to optional and mandatory redemption at the times and in the amounts, all as set forth in the Indenture. The Authorized Denomination, Record Date, Interest Payment Date and other details and particulars of the Bonds shall be as described in the Indenture and the Official Statement (as defined below). The Bonds shall initially bear interest at the Weekly Rate, mature on the dates and have such other terms as described in the Official Statement.

The Project is required to be operated in compliance with a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of the date of the Indenture (the “Regulatory Agreement”), between the Issuer and the Borrower. The Regulatory Agreement contains certain representations, warranties and covenants concerning the operation of the Project.

In connection with the remarketing of the Bonds on any tender date, the Borrower will enter into a Remarketing Agreement (the “Remarketing Agreement”), dated as of November 1, 2016 with [REMARKETING AGENT], as remarketing agent for the Bonds (the “Remarketing Agent”).

Payment of the principal of, interest on and purchase price of the Bonds will be secured by an irrevocable, direct-pay letter of credit (the “Letter of Credit”) to be issued concurrently with the issuance of the Bonds by the Bank of China, New York Branch (the “Bank”), pursuant to the provisions of a Letter of Credit Reimbursement and Security Agreement (the “Reimbursement Agreement”), dated as of November 1, 2016, between the Borrower and the Bank.

Simultaneously with the issuance of the Bonds, the Borrower is obtaining a loan (the “Condo Loan”) from Wells Fargo Bank, National Association (the “Condo Lender”) in the amount of \$_____ pursuant to a certain construction loan agreement dated November __, 2016 (the “Condo Loan Agreement”), to provide certain funds for the financing of the development of which the Project is a part, as described in the Official Statement.

The payment obligations of the Borrower under the Reimbursement Agreement, the Condo Loan Agreement and the Loan Agreement will be secured by a Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing, dated as of the date of the Indenture (the “Deed of Trust”), executed by the Borrower, as grantor, for the benefit of the Condo Lender, as collateral agent (the “Collateral Agent”), as beneficiary. The rights of the Condo Lender and the Trustee will be governed by an Intercreditor Agreement (the “Intercreditor Agreement”), dated as of the date of the Indenture, by and among the Condo Lender and the Trustee, as secured parties, and the Collateral Agent, and acknowledged and agreed by the Bank, which will govern the exercise of the rights and remedies by the Condo Lender and the Trustee.

3. Delivery of Documents.

(a) The Issuer and the Borrower have delivered or caused to be delivered to the Underwriter copies of the Official Statement dated November __, 2016, which, together with the cover page and appendices thereto, is herein referred to as the “Official Statement.” It is acknowledged by the Issuer and the Borrower that the Underwriter may deliver the Official Statement electronically over the internet and in printed paper form. For purposes of this Purchase Agreement, the printed paper form of the Official Statement, if any, is deemed controlling. Pursuant to the form of certificate attached hereto as Exhibit D, the Borrower deems the Official Statement final as of its date and as of the date hereof for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(1) thereof.

(b) The Issuer and an authorized officer of the Borrower shall execute the Official Statement. The Issuer and the Borrower hereby agree to deliver to the Underwriter an electronic copy of the Official Statement in a form that permits the Underwriter to satisfy its obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission (“SEC”). The Issuer and the Borrower hereby ratify, confirm and approve the use and distribution by the Underwriter and hereby authorize the Underwriter to use the Official Statement and the Indenture in connection with the public offering and sale of the Bonds.

(c) The Borrower will supply sufficient quantities of the Official Statement to enable the Underwriter (i) to send a single copy of the Official Statement with any confirmation that requests payment for a Bond, and in any event within seven business days after the date hereof, and to any potential customer upon request until the earlier of (A) 90 days after the End of the Underwriting Period (as defined below) or (B) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than 25 days following the End of the Underwriting Period, and (ii) to comply with any applicable rules of the Municipal Securities Rulemaking Board. The Underwriter

agrees to promptly file the Official Statement with a nationally recognized municipal securities information repository. The "End of the Underwriting Period" means the later of the delivery of the Bonds by the Issuer to the Underwriter or when the Underwriter no longer retains (directly or as a syndicate member) an unsold balance of the Bonds for sale to the public, provided that the "End of the Underwriting Period" will be deemed to be the Closing Date unless the Underwriter otherwise notifies the Issuer and the Borrower in writing prior to such date that there is an unsold balance of the Bonds.

(d) In order to assist the Underwriter in complying with Rule 15c2-12, the Borrower will undertake, pursuant to the Continuing Disclosure Agreement, dated as of November 1, 2016 (the "Disclosure Agreement"), between the Borrower and U.S. Bank National Association, as dissemination agent (the "Dissemination Agent"), to provide annual financial information and notices of the occurrence of specified events. A description of the Disclosure Agreement is set forth in, and a form of such agreement is attached as an appendix to, the Official Statement.

4. Issuer Representations. The Issuer represents, warrants to, and covenants and agrees with, the Underwriter and the Borrower that:

(a) The Issuer is duly organized and validly existing, with full legal right, power and authority to issue, sell and deliver the Bonds to the Underwriter pursuant to the Indenture, and execute, deliver and perform its obligations, as the case may be, under this Purchase Agreement, the Indenture, the Bonds, the Loan Agreement, the Tax Certificate, the Regulatory Agreement, and any other agreements to which the Issuer is a party (collectively, the "Issuer Documents") and to perform and consummate all of its obligations and transactions required or described in each of the Issuer Documents and the Official Statement.

(b) The Resolution approving and authorizing the execution and delivery by the Issuer of the Issuer Documents was duly adopted at a meeting of the Board of Supervisors of the Issuer called and held pursuant to law and with the public notice required by law and at which a quorum was present and acting throughout, was duly approved by the Mayor, and is in full force and effect and has not been amended or repealed.

(c) By official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has approved the Official Statement and authorized and approved the execution and delivery of the Issuer Documents and the consummation by the Issuer of the transactions on its part contemplated thereby.

(d) The Indenture and the Bonds conform to the descriptions thereof contained in the Official Statement and the Bonds, when duly issued and authenticated in accordance with the Indenture and delivered to the Underwriter as provided herein, will be validly issued and outstanding obligations of the Issuer, entitled to the benefits of the Indenture and payable from the sources specified therein.

(e) The Issuer has executed and delivered, or will execute and deliver on or before the Closing Date, each of the Issuer Documents. Each of the Issuer Documents constitutes, or will, as of the Closing Date, constitute, a legal, valid and binding obligation of the

Issuer enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. To the best knowledge of the Issuer, each of the Issuer Documents has been executed and delivered, or will be executed and delivered on or before the Closing Date, by each required signatory and is currently in full force and effect or, as of the Closing Date, will be in full force and effect.

(f) Except as described in the Official Statement, the Issuer is not in any respect in breach of or default under any constitutional provision, law or administrative regulation of the State or of the United States or any agency or instrumentality of either, or of any other governmental agency, or any Material Judgment or Agreement (as defined below), and no event has occurred, which constitutes a default or event of default under any Material Judgment or Agreement; and the adoption of the Resolution, the issuance, delivery and sale of the Bonds and the execution and delivery of the Issuer Documents and compliance with and performance of the Issuer's obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any such constitutional provision, law, administrative regulation or any Material Judgment or Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer or under the terms of any such law, administrative regulation or Material Judgment or Agreement. As used herein, the term "Material Judgment or Agreement" means any judgment or decree or any loan agreement, indenture, bond, note or resolution or any material agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its property or assets is otherwise subject (including, without limitation, the Act, the Resolution and the Issuer Documents).

(g) [To the best of the Issuer's knowledge,] all approvals, consents, orders, authorizations, filings or registrations of or with any governmental authority, board, agency, council, commission or other body having jurisdiction which would constitute a condition precedent to the execution and delivery by the Issuer of the Issuer Documents or issuance of the Bonds, or the performance by the Issuer of its obligations hereunder and under the Issuer Documents have been obtained, or will be obtained on the Closing Date [(except for the filing of the IRS Form 8038 or the CDLAC Report of Action Taken, both of which will be filed after closing)]; provided, that the Issuer makes no representations as to any approvals, consents or other actions which may be necessary to qualify the Bonds for offer and sale under Blue Sky or other state securities laws or regulations.

(h) Any certificates executed by any officer of the Issuer and delivered to the Underwriter pursuant hereto or in connection herewith shall be deemed a representation and warranty of the Issuer as to the accuracy of the statements therein made.

(i) The information under the captions "THE CITY AND COUNTY OF SAN FRANCISCO" and "ABSENCE OF MATERIAL LITIGATION – The City" in the Official Statement are, as of its date and at all times after the date of the Official Statement up to and including the Closing Date will be, true and correct in all material respects and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) Except as described in the Official Statement, no litigation, proceeding or official investigation of any governmental or judicial body is pending against the Issuer or against any other party [with respect to] which the Issuer, [in each case, has been served with process,] or, to the knowledge of the Issuer, threatened against the Issuer, (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Bonds, or in any way contesting or affecting any proceedings of the Issuer taken concerning the sale thereof, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity or binding effect of any of the Issuer Documents, (iii) which is in any way contesting the creation, existence, powers or jurisdiction of the Issuer or the entitlement of any officers of the Issuer to their respective offices or the validity or effect of the Indenture or the Act or any provision thereof or the application of the proceeds of the Bonds or (iv) which, if adversely determined, could materially adversely affect (A) the financial position or operating condition of the Issuer, (B) the transactions described in the Official Statement or any of the Issuer Documents, (C) the validity or enforceability of the Bonds, the Resolution or the Issuer Documents, (D) the exclusion from gross income for federal income tax purposes of the interest on the Tax-Exempt Bonds or (E) the use of the proceeds of the Bonds to make the Mortgage Loan. The Issuer shall advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(k) The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter, at the expense of the Borrower, as the Underwriter may reasonably request in endeavoring (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification in effect so long as required for distribution of the Bonds; provided, however, that in no event shall the Issuer be required to qualify as a foreign corporation or other entity in any other state or to take any action which would subject it to general or unlimited service of process in any jurisdiction in which it is not now so subject.

(l) The Issuer has not taken, or voluntarily and knowingly permitted any action within its control to be taken, or omitted to take on or prior to the date hereof any action that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Tax-Exempt Bonds.

(m) The Issuer will not voluntarily and knowingly undertake any course of action inconsistent with the satisfaction of the requirements applicable to it as set forth in this Purchase Agreement, the Issuer Documents or the Borrower Documents.

(n) If before the 90th day after the End of the Underwriting Period, an event occurs, of which the Issuer has knowledge, which might or would cause the information contained in the Official Statement under the captions “THE CITY AND COUNTY OF SAN FRANCISCO” or “ABSENCE OF MATERIAL LITIGATION—The City” (insofar as the information under such captions pertains to the Issuer) as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make

such information therein, in the light of the circumstances under which it was presented, not misleading, or if the Issuer is notified by the Borrower or otherwise requested to amend, supplement or otherwise change the Official Statement, the Issuer will notify the Underwriter and the Borrower, and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer will cooperate with the Borrower and the Underwriter to amend or supplement the Official Statement in a form and in a manner approved by the Underwriter, provided all expenses thereby incurred will be paid by the Borrower.

(o) During the period described in the preceding paragraph, (a) the Issuer will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Borrower or the Underwriter shall reasonably object in writing or which shall be disapproved by any of their respective counsel and (b) if any event relating to or affecting the Issuer shall occur as a result of which it is necessary, in the opinion of counsel for the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, the Issuer will cooperate with the Borrower and the Underwriter to prepare and furnish to the Underwriter and the Borrower (at the expense of the Borrower) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading.

(p) [Citi: The Issuer has reviewed (a) the information in the G-17 Letter and (b) the information in the Official Statement under the captions “UNDERWRITING” and “RELATED PARTIES” and acknowledges and understands that various subsidiaries of Citigroup Global Markets Inc. (collectively, “Citi”) will be serving in various capacities, in addition to the Underwriter and the Remarketing Agent, in connection with the TB8 Project and will receive fees for each of the services rendered. The Issuer will not be obligated to pay any of the fees incurred by Citi in any of these capacities in connection with the TB8 Project.]

The execution and delivery of this Bond Purchase Agreement by the Issuer shall constitute a representation by the Issuer to the Underwriter that the representations and agreements contained in this Section 4 are true as of the date hereof. All representations, warranties and agreements of the Issuer shall remain operative and in full force and effect, regardless of any investigations made by the Underwriter or on the Underwriter’s behalf, and shall survive the delivery of the Bonds.

5. Borrower Representations. The Borrower represents, warrants to and covenants and agrees with the Issuer and Underwriter that:

(a) Each of T8 Urban Housing Associates, LLC and T8 Urban Condo Owner, LLC is duly organized and validly existing as a limited liability company under the laws of the State of Delaware, is in good standing and duly qualified and authorized to conduct business in the State.

(b) The Borrower has full legal right, power and authority to issue, sell and deliver the Bonds to the Underwriter pursuant to the Indenture, and execute, deliver and perform its obligations, as the case may be, under this Purchase Agreement, the Loan Agreement, the Tax Certificate, the Continuing Disclosure Agreement, the Remarketing Agreement, the Deed of Trust, the Mortgage Note, the Regulatory Agreement, the Reimbursement Agreement, and any other applicable agreements to which the Borrower is a party (collectively, the “Borrower Documents” and together with the Issuer Documents, the “Legal Documents”) and to perform and consummate all obligations and transactions required or described in each of the Borrower Documents and the Official Statement.

(c) By all necessary action, the Borrower has duly authorized and adopted the Borrower Documents and approved the execution and delivery of the Borrower Documents, and the performance by the Borrower of the obligations in connection with the issuance of the Bonds on its part contained in the Borrower Documents and the consummation by it of all other transactions contemplated by the Indenture, the Official Statement and the Borrower Documents in connection with the issuance of the Bonds.

(d) The Borrower has executed and delivered, or will execute and deliver on or before the Closing Date, each of the Borrower Documents. Each of the Borrower Documents constitutes, or will, as of the Closing Date, constitute, a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted. To the best knowledge of the Borrower, each of the Borrower Documents has been executed and delivered, or will be executed and delivered on or before the Closing Date, by each signatory and is currently in full force and effect or, as of the Closing Date, will be in full force and effect.

(e) Except as described in the Official Statement, the Borrower is not in any material respect in breach of or default under any constitutional provision, law, order, rule or administrative regulation of the State or of the United States or any agency or instrumentality of either, or of any other governmental agency, or any Material Judgment or Agreement (as defined below), and no event has occurred which constitutes, or is continuing and with the passage of time or the giving of notice, or both, would constitute, a default or event of default under any Material Judgment or Agreement; and the issuance, delivery and sale of the Bonds and the execution and delivery of the Borrower Documents and compliance with and performance of the Borrower’s obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any such constitutional provision, law, order, rule, administrative regulation or any Material Judgment or Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower or under the terms of any such law, order, rule, administrative regulation or Material Judgment or Agreement. As used herein, the term “Material Judgment or Agreement” means any material judgment or decree or any loan agreement, indenture, bond, note or resolution or any material agreement or other instrument to which the Borrower is a party or to which the Borrower or any of its property or assets is otherwise subject (including, without limitation, the Borrower Documents).

(f) All approvals, consents, authorizations and orders of any governmental authority, board, agency, council, commission or other body having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the execution and delivery by the Borrower of the Borrower Documents or the performance by the Borrower of its obligations thereunder have been obtained and are in full force and effect, or will be obtained and be in full force and effect prior to the Closing Date (except for certain building permits, some of which may be obtained post closing); provided, that the Borrower makes no representations as to any approvals, consents or other actions which may be necessary to qualify the Bonds for offer and sale under Blue Sky or other state securities laws or regulations.

(g) Any certificates executed by any officer of the Borrower and delivered to the Underwriter or the Issuer pursuant hereto or in connection herewith shall be deemed a representation and warranty of the Borrower when made as to the accuracy of the statements therein made.

(h) Between the date hereof and the Closing Date, the Borrower shall not, without the prior written consent of the Underwriter and the Issuer, offer or issue in any material amount any bonds, other than the Bonds, the Series H-[] Bonds, the Series H-[] Bonds, Series I Note, and the Series J Note, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, except in the course of normal business operations of the Borrower or except for such borrowings as may be described in the Official Statement.

(i) The information in the Official Statement, as of its date and as of the date hereof, under the captions “ESTIMATED SOURCES AND USES,” “THE PROJECT, THE PLAN OF FINANCE AND THE BORROWER” and “ABSENCE OF MATERIAL LITIGATION—The Borrower” was and is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) The information in the Official Statement under the captions “ESTIMATED SOURCES AND USES,” “THE PROJECT, THE PLAN OF FINANCE AND THE BORROWER” and “ABSENCE OF MATERIAL LITIGATION—The Borrower,” at all times after the date of the Official Statement up to and including the Closing Date will be true and correct in all material respects and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) If the Official Statement is supplemented or amended, at the time of each supplement or amendment and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including the Closing Date, the information in the Official Statement under the captions “ESTIMATED SOURCES AND USES,” “THE PROJECT, THE PLAN OF FINANCE AND THE BORROWER” and “ABSENCE OF MATERIAL LITIGATION—The Borrower,” as so supplemented or amended will be true and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) If between the date hereof and the Closing Date, any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Borrower shall notify the Underwriter and the Issuer thereof, and if, in the opinion of the Underwriter or the Issuer, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Borrower shall promptly (and in any event before the Closing Date) prepare and furnish (at the expense of the Borrower) a reasonable number of copies of an amendment of or supplement to the Official Statement in form and substance satisfactory to the Underwriter and the Issuer in accordance with Section 10 hereof.

(m) Except as described in the Official Statement, no action, suit, inquiry, litigation, proceeding or investigation of any governmental or judicial body is pending against the Borrower or, to the knowledge of the Borrower, threatened in writing against the Borrower, (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity or binding effect of any of the Borrower Documents, or the execution and delivery or adoption by the Borrower thereof, or the completeness or accuracy of the Official Statement or the consummation of the transactions contemplated thereby or hereby, (iii) which is in any way contesting the creation, existence, authority, powers or jurisdiction of the Borrower, or the titles of its officers executing this Purchase Agreement to their respective offices, or the validity, enforceability or effect of the Indenture or the Act or any provision thereof or the application of the proceeds of the Bonds, or the exclusion from gross income for federal income tax purposes of the Tax-Exempt Bonds, or (iv) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Borrower or the transactions described in the Official Statement or any of the Borrower Documents; nor, to the Borrower's knowledge, is there any basis for any such action, suit, inquiry, litigation, proceeding or investigation. The Borrower shall advise the Underwriter and the Issuer promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(n) During the last five years, the Borrower has not failed to materially comply with any previous undertaking relating to continuing disclosure of information pursuant to Rule 15c2-12.

(o) The Borrower will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use commercially reasonable efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Borrower shall not be required to register as a dealer or broker of securities or execute a general or special consent to service of process or qualify to do business in any jurisdiction where it is not now so subject.

(p) The Borrower will refrain from taking any action, or voluntarily permitting any action within its control to be taken, except as otherwise required by law, which will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Tax-Exempt Bonds.

(q) The Borrower shall honor all other covenants contained in the Borrower Documents, which agreements are incorporated herein and made a part of this Purchase Agreement.

(r) The Borrower will not voluntarily undertake any course of action inconsistent with the satisfaction of the requirements applicable to it as set forth in this Purchase Agreement or the Borrower Documents.

(s) [Citi] The Borrower has reviewed (a) the information in the G-17 Letter and (b) the information in the Official Statement under the captions “UNDERWRITING” and “RELATED PARTIES” and acknowledges and understands that [Citi] will be serving in various capacities, in addition to the Underwriter and the Remarketing Agent, in connection with the TB8 Project and will receive fees for each of the services rendered. The Borrower will be obligated to pay certain fees incurred by any of the various subsidiaries of [Citi] in these capacities in connection with the TB8 Project, provided that such amounts paid will be from sources other than from proceeds of the Tax-Exempt Bonds.

In order to assist the Remarketing Agent for the Bonds to comply with its obligations under MSRB Rule G-34(c) as remarketing agent, the Borrower agrees to provide the Remarketing Agent with the documents set forth in Section 7(a)(xi)(13) herein on the Closing Date. All representations, warranties and agreements of the Borrower shall remain operative and in full force and effect, regardless of any investigations made by the Underwriter or the Issuer or on the Underwriter’s or the Issuer’s behalf, and shall survive the delivery of the Bonds.

The execution and delivery of this Purchase Agreement by the Borrower shall constitute a representation to the Underwriter that the representations and warranties contained in this section are true and correct in all material respects as of the date hereof and as of the Closing Date.

6. Closing. At 10:00 A.M., Pacific Time, on November __, 2016, or at such other time or date as the Underwriter, the Borrower and the Issuer may mutually agree upon as the date and time of the closing (the “Closing Date”), the Issuer will deliver or cause to be delivered to the Underwriter, at the offices of Jones Hall, a Professional Law Corporation, San Francisco, California, (“Co-Bond Counsel”), 475 Sansome Street, Suite 1700, San Francisco, CA 94111, or at such other place as the Underwriter and the Issuer may mutually agree upon, the Bonds, through the facilities of The Depository Trust Company, New York, New York (“DTC”), duly executed and authenticated, and the other documents specified in Section 7. On the Closing Date, (a) upon satisfaction of the conditions herein specified, the Underwriter shall accept the delivery of the Bonds, and pay the purchase price therefor in federal funds payable to the order of the Trustee for the account of the Issuer and (b) the Issuer shall deliver or cause to be delivered the Bonds to the Underwriter through the facilities of DTC in definitive or temporary form, duly executed by the Issuer and in the Authorized Denomination as specified by the

Underwriter on the Closing Date and the Borrower and the Issuer shall deliver the other documents hereinafter mentioned. The Bonds shall be made available to the Underwriter at least one (1) business day before the Closing Date for purposes of inspection.

7. Conditions Precedent. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and agreements of the Borrower and the Issuer contained herein and the performance by the Borrower and the Issuer of their respective obligations hereunder, both as of the date hereof and as of the Closing Date.

(a) The Underwriter's obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(i) The representations of the Issuer contained herein shall be true, complete and correct in all material respects on the date of acceptance hereof and on and as of the Closing Date.

(ii) The representations of the Borrower contained herein shall be true, complete and correct in all material respects on the date of acceptance hereof and on and as of the Closing Date.

(iii) The Official Statement (as the same may be amended or supplemented with the written approval of the Underwriter) shall be true and correct in all material respects and shall not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(iv) On the Closing Date, the Official Statement, the Resolution, the Borrower Documents and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter.

(v) The Issuer shall perform or have performed all of its obligations required under or specified in the Resolution, the Issuer Documents, the Letter of Credit, and the Official Statement to be performed at or prior to the Closing Date.

(vi) The Borrower shall perform or have performed all of its obligations required under or specified in the Borrower Documents, the Letter of Credit, and the Official Statement to be performed at or prior to the Closing Date.

(vii) The Borrower shall have delivered to the Underwriter the final Official Statement by the time required by Section 3 of this Purchase Agreement.

(viii) As of the date hereof and as of the Closing Date, all necessary official action of the Issuer relating to the Issuer Documents and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(ix) As of the date hereof and as of the Closing Date, all necessary official action of the Borrower relating to the Borrower Documents and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(x) As of the Closing Date, no material adverse change shall have occurred, nor shall any development involving a prospective material and adverse change in, or affecting the affairs, business, financial condition, results of operations, prospects or properties (including the Project) of, any of the Issuer, the Bank, or the Borrower have occurred between the date hereof and the Closing Date.

(xi) At or prior to the Closing Date, the Underwriter shall receive the following documents (in each case with only such changes as the Underwriter shall approve):

(1) The approving opinion(s) of Co-Bond Counsel relating to the Bonds, dated the Closing Date, substantially in the form attached as Appendix D to the Official Statement, and a reliance letter with respect thereto addressed to the Underwriter;

(2) The supplemental opinion of Co-Bond Counsel, addressed to the Underwriter, dated the Closing Date, to the effect that:

(A) This Purchase Agreement has been duly executed and delivered by the Issuer and is a legal, valid and binding obligation of the Issuer, subject to laws relating to bankruptcy, insolvency, reorganization or creditors' rights generally, to the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State;

(B) The statements contained in the Official Statement in the captions entitled "INTRODUCTION", "THE BONDS" (other than the information concerning DTC and the book-entry system) "SECURITY FOR THE BONDS," "THE CITY AND COUNTY OF SAN FRANCISCO," "PROJECT DOCUMENTS," "TAX MATTERS," "CERTAIN LEGAL MATTERS," "CONTINUING DISCLOSURE," "APPENDIX A – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL DOCUMENTS," and "APPENDIX D – FORM OF OPINION OF BOND COUNSEL" insofar as such statements expressly summarize certain provisions of the Indenture, the Bonds, the Loan Agreement, the Regulatory Agreement, the Intercreditor Agreement and the form and content of such counsel's opinion attached as Appendix D to the Official Statement, as of the date thereof and as of the Closing Date do not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the

circumstances under which they were made, not misleading in any material respect;

- (C) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the “1933 Act”) and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”);

(3) A letter, dated the Closing Date and addressed to the Underwriter, from Hawkins Delafield & Wood LLP, San Francisco, California, Disclosure Counsel, to the effect that:

Based upon the information made available to them in the course of their participation in the preparation of the Official Statement and without passing on and without assuming any responsibility for the accuracy, completeness and fairness of the statements in the Official Statement, and having made no independent investigation or verification thereof, nothing has come to the attention of the attorneys in the firm rendering legal services in connection with the Bonds which would lead them to believe that the Official Statement as of its date and as of the Closing Date (excluding therefrom any information in the Official Statement relating to DTC, the operation of the book-entry system, information regarding the Bank, the Letter of Credit, the Reimbursement Agreement or any other financial or statistical data or projections or estimates or expressions of opinion included in the Official Statement and the appendices thereto, as to which no opinion need be expressed) contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect;

(4) The opinion of _____, counsel to the Issuer, dated the Closing Date and addressed to the Issuer and the Underwriter, to the effect that:

- (A) The Issuer has been duly organized and is validly existing under the Constitution and laws of the State, and has all requisite power and authority thereunder: (a) to adopt the Resolution, and to enter into, execute, deliver and perform its covenants and agreements under the Issuer Documents; (b) to approve and authorize the use, execution and distribution of the Official Statement; (c) to issue, sell, execute and deliver the Bonds; (d) to pledge the Trust Estate as described in the Issuer Documents; and (e) to carry on its activities as currently conducted;
- (B) The Issuer has taken all actions required to be taken by it before the Closing Date material to the transactions described in the

documents mentioned in paragraph (a) above, and the Issuer has duly authorized the execution and delivery of, and the due performance of its obligations under, the Issuer Documents;

- (C) The Resolution was duly adopted by the Board of Supervisors of the Issuer and was duly approved by the Mayor;
- (D) The adoption of the Resolution, the execution and delivery by the Issuer of the Issuer Documents and the compliance with the provisions of the Issuer Documents, do not and will not conflict with or violate in any material respect any State constitutional, statutory or regulatory provision, or, to the best of such counsel's knowledge after due inquiry, conflict with or constitute on the part of the Issuer a material breach of or default under any agreement or instrument to which the Issuer is a party or by which it is bound;
- (E) The Issuer Documents constitute legal, valid and binding obligations of the Issuer and are enforceable according to the terms thereof, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally, and by the application of equitable principles if equitable remedies are sought, by the exercise of judicial discretion and the limitations on legal remedies against public entities in the State;
- (F) No litigation is pending or, to the best of such counsel's knowledge after due inquiry, threatened against the Issuer in any court in any way affecting the titles of the officials of the Issuer to their respective positions, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the collection of revenues pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Resolution or the Issuer Documents, or contesting in any way the completeness or accuracy of the Official Statement, or contesting the powers of the Issuer or its authority with respect to the Resolution or the Issuer Documents;
- (G) The information contained in the Official Statement, as of its date and the Closing Date, under the captions "THE CITY AND COUNTY OF SAN FRANCISCO" and "ABSENCE OF MATERIAL LITIGATION -- The City" does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

- (H) To the best of such counsel's knowledge after due inquiry, no authorization, approval, consent or other order of the State or any local agency of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the Issuer of the Issuer Documents and the authorization and distribution of the Official Statement (provided that no opinion need be expressed as to any action required under state securities or Blue Sky laws in connection with the purchase of the Bonds by the Underwriter); and
- (I) To the best of such counsel's knowledge after due inquiry, the Issuer is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or is otherwise subject, which breach or default would materially adversely affect the Issuer's ability to enter into or perform its obligations under the Issuer Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which would materially adversely affect the Issuer's ability to enter into or perform its obligations under the Issuer Documents;

(5) The opinion(s) of Levitt & Boccio, LLP, New York, New York, [Gibson, Dunn & Crutcher LLP, Los Angeles, California,] and Bocarsly Emden Cowan Esmail & Arndt LLP, Los Angeles, California, co-counsel to the Borrower, dated the Closing Date and addressed to the Issuer and the Underwriter, to the effect that:

- (A) Each of T8 Urban Housing Associates, LLC and T8 Urban Condo Owner, LLC is a Delaware limited liability company duly organized and validly existing under the laws of the State of Delaware, is in good standing and duly qualified and authorized to conduct business in the State;
- (B) The Borrower has full legal right, power and authority (a) to own its properties and conduct its business as described in the Official Statement and (b) to enter into and to carry out and consummate the transactions contemplated by the Borrower Documents.
- (C) The Borrower has taken all necessary legal action to authorize the execution and delivery of the Borrower Documents, and the undertaking of its obligations thereunder, and the taking of all actions as may be required on the part of the Borrower to carry out the same; and the making and performance of each such agreement will not conflict with, constitute a breach of or a default under, or

violate any provision of the organizational documents of the Borrower or any indenture, agreement or other instrument to which the Borrower is a party or by which the Borrower or any of its properties may be bound, or any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental body to which the Borrower or any of its properties are subject;

- (D) The Borrower Documents have been duly executed and delivered by the Borrower, are in full force and effect and constitute the legal, valid and binding obligations of the Borrower enforceable in accordance with their respective terms, except as enforcement may be limited by equitable principles, or by bankruptcy, insolvency, reorganization, moratorium and similar laws in effect from time to time affecting the enforcement of creditor's rights generally;
- (E) Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best of counsel's knowledge, threatened in writing against or affecting the Borrower or its property, (i) in any way affecting the existence of the Borrower, the titles of its officers to their respective offices, or challenging or affecting the power or authority of its members to act on behalf of the Borrower, (ii) in any way contesting or affecting the validity or enforceability of the Borrower Documents, (iii) contesting in any way the completeness or accuracy of the Official Statement or the consummation of the transactions contemplated thereby, (iv) contesting in any way the power or authority of the Borrower or its members with respect to the execution, delivery and performance of the Borrower Documents, or (v) wherein an unfavorable decision ruling or finding would have a material adverse effect on the financial condition or operations of the Borrower or the Project or the validity or enforceability of the Borrower Documents or the Borrower's performance of the transactions described in this Purchase Agreement or by any Borrower Document or the Official Statement;
- (F) Except for such approvals as have been obtained (other than building permits, some of which will be obtained when necessary), no approval, consent, authorization, order or other action by or a filing or registration with any governmental authority, board, agency, or quasi-governmental agency or private corporation is required as a condition to the execution, delivery or performance by the Borrower of the Borrower Documents, or its approval, execution and delivery of the Official Statement, except that counsel shall express no opinion whatsoever with respect to: (1)

any approvals, authorizations or other action that may be required in connection with the offer and sale of the Bonds in certain jurisdictions which may be subject to the provisions of the securities or Blue Sky laws of such jurisdictions; or (2) any approvals required to be obtained by the Issuer or other parties, other than the Borrower to the Borrower Documents;

(G) Nothing has come to counsel's attention that would lead it to believe that the information in the Official Statement under the captions "ESTIMATED SOURCES AND USES," "THE PROJECT, THE PLAN OF FINANCE AND THE BORROWER" and "ABSENCE OF MATERIAL LITIGATION—The Borrower" as of the date of Official Statement and as of the Closing Date, contains an untrue statement of a material fact or omits to state a material fact that is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(H) The Borrower may not plead the defense of usury or maintain an action for usury with respect to the loan(s) being made under the Legal Documents;

(6) The opinion of _____, counsel to the Trustee, dated the Closing Date and addressed to the Underwriter, to the effect that:

(A) The Trustee is a national banking association duly organized, validly existing and in good standing under the laws of the United States having full power and authority and being qualified to enter into, accept and administer the trust created under the Indenture to which it is a party and to enter into such Indenture;

(B) The Legal Documents to which the Trustee is a party have been duly authorized, executed and delivered by the Trustee and constitute the legal, valid and binding obligations of the Trustee enforceable against the Trustee in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought;

(C) The execution, delivery and performance of the Indenture will not conflict with or cause a default under any law, ruling, agreement, administrative regulation or other instrument by which the Trustee is bound;

(D) All authorizations and approvals required by law and the articles of association and bylaws of the Trustee in order for the Trustee to

execute and deliver and perform its obligations under the Indenture to which it is a party have been obtained;

- (E) The Trustee has duly authenticated and delivered the Bonds in accordance with the terms of the Resolution and the Indenture; and
- (F) No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending or threatened in any way affecting the existence of the Trustee or the titles of its directors or officers to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the Bonds or the application of proceeds thereof in accordance with the Indenture, or in any way contesting or affecting the Bonds or the Indenture;

(7) The opinion of Eichner Norris & Neumann PLLC, as counsel to the Underwriter, dated the Closing Date and addressed to the Underwriter, and covering such matters as the Underwriter may reasonably request;

(8) The opinions of Troutman Sanders LLP, New York, New York, and Run Ming Law Office, Beijing, China, counsel to the Bank, dated the Closing Date and addressed to the Underwriter, in form and substance as set forth in Exhibits A-1 and A-2 hereto;

(9) A certificate, dated the Closing Date, signed by an Authorized Officer of the Issuer to the effect that: (a) the representations and agreements of the Issuer contained herein and in the other Issuer Documents are true and correct in all material respects as of the Closing Date; (b) the Issuer Documents have been duly authorized and executed and are in full force and effect; (c) except as described in the Official Statement, no litigation is pending or, to his or her knowledge, threatened (i) seeking to restrain or enjoin the issuance or delivery of the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds, the Resolution or any Legal Document, (iii) in any way contesting the creation, existence or powers of the Issuer or the validity or effect of the Act or any provision thereof or the application of the proceeds of the Bonds, or (iv) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Issuer or the transactions described in the Official Statement or any Legal Document; (d) the information contained under the captions “THE CITY AND COUNTY OF SAN FRANCISCO” and “ABSENCE OF MATERIAL LITIGATION – The City” in the Official Statement is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (e) the Issuer has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied under the Bonds and the Issuer Documents at or prior to the date thereof;

(10) A certificate, dated the Closing Date, signed by an authorized signatory of the Borrower to the effect that: (a) the representations and agreements of the Borrower contained herein and in the other Borrower Documents are true and correct in all material respects as of the Closing Date; (b) the Borrower Documents have been duly authorized and executed and are in full force and effect; (c) except as described in the Official Statement, no litigation is pending or, to his or her knowledge, threatened in writing (i) seeking to restrain or enjoin the issuance or delivery of the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds, the resolution or any Borrower Document, (iii) in any way contesting the creation, existence or powers of the Borrower, or (iv) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Borrower or the transactions described in the Official Statement or any Borrower Document; (d) the information in the Official Statement under the captions “ESTIMATED SOURCES AND USES,” “THE PROJECT, THE PLAN OF FINANCE AND THE BORROWER” and “ABSENCE OF MATERIAL LITIGATION—The Borrower” is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (e) no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect and (f) the Borrower has complied with all agreements and satisfied all the conditions on its part to be performed or satisfied under the Borrower Documents at or prior to the Closing Date;

(11) Executed or certified copies of the Indenture;

(12) Executed or certified copies of each other Legal Document;

(13) For purposes of satisfying the obligations of the Remarketing Agent under MSRB Rule G-34, the Borrower shall provide or cause to be provided: (a) a clean, word-searchable electronic final execution copy of each document required to be submitted by the Remarketing Agent under Rule G-34, including, but not limited to the Remarketing Agreement, the Indenture, the Letter of Credit, and the Reimbursement Agreement; and (b) if any redactions are made in such documents, (x) a redacted word-searchable electronic final execution copy of such documents, and (y) a file containing a list showing all redactions that have been made to such documents;

(14) A certificate of the Bank, dated as of the Closing Date, in form and substance as set forth in Exhibit B hereto;

(15) An executed or certified copy of the Letter of Credit;

(16) A Tax Certificate executed by the Borrower and the Issuer, in form satisfactory to Co-Bond Counsel, executed by such officials of the Borrower and the Issuer as shall be satisfactory to the Underwriter;

(17) A certified copy of the Resolution;

(18) Evidence satisfactory to the Underwriter of the assignment of ratings to the Bonds by (i) Standard & Poor's Services ("S&P") of at least "A/A-1" and/or (ii) Moody's Investor Services, Inc. ("Moody's" and together with S&P, the "Rating Agency") of at least "A1/VMIG 1";

(19) A certificate of an authorized officer of the Trustee, dated as of the Closing Date, to the effect that: (a) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to the Underwriter; (b) the Trustee is duly authorized to enter into the Indenture and to authenticate and deliver the Bonds to the Underwriter pursuant to the Indenture; (c) when delivered to and paid for by the Underwriter on the Closing Date, the Bonds will have been duly authenticated and delivered by the Trustee; (d) the execution and delivery of the Indenture and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), which conflict, breach or default would materially impair the ability of the Trustee to perform its obligations under the Indenture, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Indenture under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Indenture; and (e) it has not been served with any action, suit, proceeding, inquiry or investigation in law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoining the execution and delivery of the Bonds or the collection of revenues to be applied to pay the principal, premium, if any, and interest with respect to the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Indenture, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or funding would materially adversely affect the validity or enforceability of the Indenture or the power and authority of the Trustee to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to or upon the order of the Underwriter;

(20) Evidence that a Form 8038 relating to the Tax-Exempt Bonds has been executed by the Issuer and will be filed with the Internal Revenue Service (the “IRS”) within the applicable time limit;

(21) A copy of the blue sky survey with respect to the Bonds;

(22) A copy of the Issuer’s executed Blanket Letter of Representation to The Depository Trust Company; and

(23) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, counsel for the Underwriter or Co-Bond Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the Closing Date, of the representations of the Issuer herein contained and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer and all conditions precedent to the issuance of additional Bonds pursuant to the Indenture shall have been fulfilled.

(xii) As of the Closing Date, no default or event of default (as defined in any of the Legal Documents) shall have occurred and be continuing, and no event shall have occurred and be continuing which, with the lapse of time or the giving of notice or both, would constitute such a default or event of default.

(xiii) As of the Closing Date, each of the Legal Documents shall have been executed and delivered by each of the respective parties thereto, all such documents shall be in forms exhibited to the Underwriter on the date hereof with only such changes as the Underwriter may approve, and each of the Legal Documents shall be in full force and effect.

(xiv) As of the Closing Date, no order, decree, injunction, ruling or regulation of any court, regulatory agency, public board or body shall have been issued nor shall any legislation have been enacted with the purpose or effect, directly or indirectly, of prohibiting the offering, sale or issuance of the Bonds by the Issuer as contemplated by this Purchase Agreement or by the Official Statement.

(xv) As of the Closing Date, none of the events referred to in Section 8 of this Purchase Agreement shall have occurred.

All of the legal opinions, certificates, proceedings, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance reasonably satisfactory to the Underwriter, the Borrower and the Issuer.

(b) If any conditions to the obligations of the Underwriter or the Issuer contained in this Purchase Agreement are not satisfied and the satisfaction of such conditions shall not be waived by the Underwriter and the Issuer, then, at the option of the Underwriter and the Issuer, (i) the Closing Date shall be postponed for such period, not to exceed seven days, as may be necessary for such conditions to be satisfied or (ii) without limiting the generality of Section 9(e)

of this Purchase Agreement, the obligations of the Underwriter and the Issuer under this Purchase Agreement shall terminate, and neither the Underwriter nor the Issuer shall have any further obligations or liabilities hereunder, except the Borrower shall be obligated with respect to all reasonable fees, expenses and costs incurred payable to the Issuer pursuant to Section 11 hereof.

8. Termination. If the Borrower or the Issuer shall be unable to satisfy the conditions of the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, after consultation with the Issuer, this Purchase Agreement may be cancelled by the Underwriter at any time subsequent to the date hereof and on or prior to the Closing Date, effective upon written notice to the Issuer, if any of the following have occurred. The performance by the Borrower and the Issuer of any and all conditions contained in this Purchase Agreement for the benefit of the Underwriter may be waived by the Underwriter, except the Borrower shall be obligated with respect to all reasonable fees, expenses and costs incurred payable to the Issuer pursuant to Section 11 hereof.

(a) Any event or circumstance occurs or information becomes known, which, in the reasonable professional judgment of the Underwriter, makes untrue any statement of a material fact set forth in the Official Statement or results in an omission to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading and, in either such event, (i) the Issuer or the Borrower refuses to permit the Official Statement to be supplemented to supply such statement or information in a manner satisfactory to the Underwriter or (ii) the effect of the Official Statement as so or not supplemented is, in the judgment of the Underwriter, to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(b) Any fact or event shall exist or have existed that, in the Underwriter's reasonable judgment, requires or has required an amendment of or a supplement to the Official Statement; or

(c) The market for the Bonds or the market prices of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds shall have been materially and adversely affected, in the reasonable professional judgment of the Underwriter, by events (1) – (8) below:

1. An amendment to the Constitution of the United States or to The Home Rule Act or the State shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States shall have been amended or legislation shall have been recommended to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the IRS or the Chairman or ranking minority member of the Committee on

Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such Committee by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the Issuer or upon interest received on obligations of the general character of the Tax-Exempt Bonds which, in the judgment of the Underwriter, may have the purpose or effect, directly or, indirectly, of affecting the federal or State tax status of the Issuer, its property or income, its securities (including the Tax-Exempt Bonds) or the interest thereon, or any tax exemption granted or authorized by State legislation; or

2. The declaration of war or engagement in or escalation of military hostilities by the United States or the occurrence of any other national or international emergency or calamity or terrorism affecting the operation of the government of, or the financial community in, the United States; or
3. The declaration of a general banking moratorium by federal, New York or State authorities; or
4. The occurrence of a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services, or any calamity or crisis in the financial markets of the United States or elsewhere, or a material disruption or deterioration in the fixed income or municipal securities market; or
5. Additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally, or to the Bonds or similar obligations, or with respect to the extension of credit by or the charge to the net capital requirements of underwriters or broker-dealers, by any governmental authority or by any national securities exchange; or
6. The general suspension of trading on any national securities exchange; or
7. A default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against any state of the United States or the City or County of San Francisco; or

8. A downgrade of the sovereign debt rating of the United States by any major credit rating agency or payment default on United States Treasury obligations; or

(d) Legislation introduced in or enacted (or resolution passed) by the Congress, legislation recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the SEC, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect; or

(e) Any change in or particularly affecting the Issuer, the Act, the Resolution, the Legal Documents or the Trust Estate as the foregoing matters are described in the Official Statement, which in the reasonable professional judgment of the Underwriter materially impairs the investment quality of the Bonds; or

(f) An order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby and as described in the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect; or

(g) A stop order, ruling, regulation, proposed regulation or statement by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, sale or distribution of obligations of the general character of the Bonds (including any related underlying obligations), or the execution and delivery of any Legal Documents, as contemplated hereby and as contemplated in the Official Statement, is in violation or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws, including the provisions of the 1933 Act, the Trust Indenture Act, or the Securities Exchange Act of 1934, as amended; or

(h) Any litigation shall have been filed or be pending as of the Closing Date to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Act, the Resolution, the Legal Documents or the existence or powers of the Issuer with respect to its obligations under the Legal Documents; or

(i) a downgrading or suspension of any rating (without regard to credit enhancement) by Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's ("S&P"), or Fitch Ratings ("Fitch") of any debt securities issued by the Issuer, or there shall have been any official statement as to a possible downgrading (such as being placed on "credit watch" or "negative outlook" or any similar qualification) of any rating by Moody's, S&P or Fitch of any debt securities issued by the Issuer, including the Bonds; or

(j) A reduction or withdrawal in any of the S&P "A/A-1" rating or the Moody's "A1/VMIG 1" rating, or, as of the Closing Date, the failure by S&P and/or Moody's to assign such ratings to the Bonds.

9. Indemnification. (a) The Borrower shall pay, defend, protect, indemnify, save and hold harmless the Issuer, its directors, officers, members, partners, employees, affiliates, and agents, and the Underwriter and its directors, officers, members, partners, employees, affiliates, and agents and each person who controls the Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the Securities Exchange Act of 1934 (collectively, the "Indemnified Party"), against any and all losses, claims, damages, costs, expenses (including reasonable attorneys' fees), causes of action (whether in contract, tort or otherwise), suits, demands and judgments of any kind, character and nature, or liabilities, joint or several (collectively, the "Liabilities"), (a) to which any such Indemnified Party may become subject, under any statute or regulation at law or in equity or otherwise, insofar as such Liabilities are caused by or directly or indirectly arise out of or are based upon or in any way related to (i) as to the Issuer and its Indemnified Parties only, the Bonds, the Project, the Legal Documents, this Purchase Agreement or any other document, transaction or agreement, written or oral, pertaining to the foregoing, (ii) as to all the Indemnified Parties, any untrue statement of a material fact or alleged untrue statement of material fact set forth in the Official Statement (except the information under the captions "THE ISSUER" "ABSENCE OF MATERIAL LITIGATION – The City" and "UNDERWRITING" to the extent such information is provided by the Underwriter) or any amendment or supplement thereto which is necessary in order to make the statements made therein, in the light of the circumstances in which they were made, not misleading, or (iii) as to all the Indemnified Parties, any omission or alleged omission to state in the Official Statement (except the information under the captions "THE ISSUER," "ABSENCE OF MATERIAL LITIGATION – The City" and "UNDERWRITING" to the extent such information is provided by the Underwriter) or any amendment or supplement thereto a material fact which is necessary in order to make the statements made therein, in the light of the circumstances in which they were made, not misleading, and (b) to the extent of the aggregate amount paid in any settlement of any litigation commenced or threatened arising from a Liability if such settlement is effected with the written consent of the Borrower (which consent shall not be unreasonably withheld); and will reimburse any legal or other expenses reasonably incurred by any such Indemnified Party in connection with investigating or defending any such Liability. This indemnity agreement shall be in addition to and shall not be construed as a limitation on any other liability which the Borrower may otherwise have to any Indemnified Party pursuant to the Borrower Documents or otherwise.

(b) The Borrower also agrees to pay, defend, protect, indemnify, save and hold harmless the Underwriter and each affiliate, member, officer, director, official, employee and agent of the Underwriter from and against the Liabilities directly or indirectly arising from or

relating to any errors or omissions of any nature whatsoever contained in any legal proceedings or other official representation or inducement made by the Issuer pertaining to the Bonds.

(c) An Indemnified Party shall, promptly after the receipt of notice of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against the Borrower, notify the Borrower in writing of the commencement thereof, but the omission to notify the Borrower of any such action shall not relieve the Borrower from any liability that it may have to such Indemnified Party otherwise than under the indemnity agreement contained herein above unless and to the extent the Borrower did not otherwise learn of such action and such failure results in the forfeiture by the Borrower of substantial rights and defenses. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Borrower of the commencement thereof, the Borrower may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Party provided however that if the Indemnified Party is the Issuer, the selection of counsel rests in the sole discretion of the City Attorney), and after notice from the Borrower to such Indemnified Party of an election so to assume the defense thereof, the Borrower will not be liable to such Indemnified Party under this paragraph for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation. The Indemnified Party shall at all times also have the right to fully participate in the defense and shall have the right to review and approve or disapprove any compromise or settlement which approval shall not be unreasonably withheld, conditioned or delayed. If there may be legal defenses available to the Indemnified Party that are materially different from or in addition to those available to the Borrower, if conflicts of interest exist or arise between the Borrower and the Indemnified Party or if the Borrower shall, after this notice and within a period of time necessary to preserve any and all defenses to any claim asserted, fail to assume the defense or to employ counsel for that purpose reasonably satisfactory to the Indemnified Party, the Indemnified Party shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of, and at the risk and expense of, the Borrower.

(d) If the indemnification provided for in this Section 9 is unavailable or insufficient to hold harmless an Indemnified Party under subsection (a) above, then the Borrower and the Indemnified Party (other than the Issuer) shall contribute proportionately to the aggregate Liabilities to which the Borrower and the Indemnified Party (other than the Issuer) may be subject, so that the Indemnified Party (other than the Issuer) is responsible for that portion represented by the percentage that the fees paid by the Borrower to the Indemnified Party (other than the Issuer) in connection with the issuance and administration of the Bonds bears to the aggregate offering price of the Bonds, with the Borrower responsible for the balance; provided, however, that in no case shall the Underwriter be responsible for any amount in excess of the fees paid by the Borrower to the Underwriter in connection with the issuance and administration of the Bonds. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) The Indemnified Parties, other than the Issuer and the Underwriter, shall be considered to be third-party beneficiaries of this Purchase Agreement and shall be entitled to

enforce their rights hereunder as if they were parties to this Purchase Agreement. The provisions of this section will be in addition to all liability that the Borrower may otherwise have and shall survive any termination of this Purchase Agreement, the offering and sale of the Bonds and the payment or provisions for payment of the Bonds.

10. Amendments to Official Statement. If, during the period from the date hereof and ending on the earlier of (i) 90 days after the End of the Underwriting Period or (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than 25 days following the End of the Underwriting Period, any event occurs, of which the Issuer has, or, with the exercise of due care would have had, knowledge, as a result of which the Official Statement for the Bonds as then amended or supplemented might include an untrue statement of material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer, if such event relates to the information included in the Official Statement under the captions “THE CITY AND COUNTY OF SAN FRANCISCO” and “ABSENCE OF MATERIAL LITIGATION—The City” (insofar as the information under such caption pertains to the Issuer), or the Borrower shall promptly notify the Underwriter thereof and shall (in either case, at the expense of the Borrower), upon the request of the Underwriter, prepare and deliver to the Underwriter, as many copies of an amendment or supplement which will correct such statement or omission as the Underwriter may reasonably request.

11. Expenses. All expenses and costs in connection with the authorization, issuance and sale of the Bonds to the Underwriter, including (a) the costs of printing or reproduction of the Bonds, the Legal Documents, the Official Statement, and the blue sky survey, as well as any delivery costs incurred in connection with the foregoing documents, (b) fees of consultants, (c) fees of the Rating Agency, (d) advertising expenses, (e) fees and expenses of the Co-Bond Counsel, (f) the fees and expenses of counsel to the Underwriter, to the extent not included in the Underwriting Fee, (g) the Underwriting Fee, (h) the fees and expenses of the Trustee, (i) the fees and expenses of counsel for the Trustee, (j) the fees and expenses of disclosure counsel; (k) the fees and expenses of the Bank and of the Bank’s counsel; (l) the fees and expenses of Issuer’s counsel; (m) any application or administrative fee of the Issuer; and the fees and disbursements of the Issuer’s financial advisor and any other experts or consultants retained by the Issuer; (n) the fees, if any, of Digital Assurance Certification, L.L.C., for a continuing disclosure undertaking compliance review; and (o) all other costs of issuance of the Bonds shall be paid by the Borrower from the proceeds of the Bonds or other revenues of the Borrower. The Borrower shall be solely responsible for and shall pay for any expenses incurred by the Issuer’s and the Borrower’s employees and representatives which are directly related to the offering and sale of the Bonds, including, but not limited to, meals, transportation, and lodging of those employees and representatives. The Issuer shall have no obligation to pay any fees, expenses or costs associated with or resulting from the issuance and delivery of the Bonds.

The Underwriter is required to pay fees to the California Debt and Investment Advisor Commission in connection with the Bond offering. Notwithstanding that such fees are solely the legal obligation of the Underwriter, the Borrower agrees to reimburse the Underwriter for such fees.

12. Use of Documents. The Borrower and the Issuer each hereby authorizes the Underwriter to use, in connection with the public offering and sale of the Bonds, this Purchase Agreement, the Official Statement, the Legal Documents, and the information contained herein and therein.

13. Qualification of Securities. The Borrower and the Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and to provide for the continuance of such qualification; provided, however, that the Borrower and the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

14. Notices. Any notice or other communication to be given to the Borrower and the Issuer, respectively, under this Purchase Agreement may be given by delivering the same in writing to (i) the Borrower at: T8 Urban Housing Associates, LLC, T8 Urban Condo Owner, LLC, c/o Related California, 44 Montgomery Street, Suite 1300, San Francisco, California 94104, Attention: Gregory Vilkin, with a copy to The Related Company, L.P., 60 Columbus Circle, New York, New York 10023, Attention: Chief Legal Officer; (ii) the Issuer at: (a) City and County of San Francisco, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 316, San Francisco, California 94102, Attention: City Controller, (b) City and County of San Francisco, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 140, San Francisco, California 94102, Attention: City Treasurer, and (c) Office of the City Attorney City Hall, 1 Dr. Carlton B. Goodlett Place, Room 234, San Francisco, California 94102, Attention: Finance Team; and (iii) any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to [UNDERWRITER].

15. Benefit. This Purchase Agreement is made solely for the benefit of the Borrower, the Issuer and the Underwriter (including their successors or assigns) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the Borrower and the Issuer contained in this Purchase Agreement and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of: (i) any investigation made by or on behalf of the Underwriter; (ii) delivery of and payment for the Bonds hereunder; or (iii) any termination of this Purchase Agreement.

16. [Attorneys' Fees. In the event of a dispute arising under this Purchase Agreement, the prevailing party shall have the right to collect from the other party its reasonable costs and necessary disbursements and attorneys' fees incurred in enforcing this Purchase Agreement.]

17. City Contracting Requirements. The provisions set forth in Exhibit C attached hereto are incorporated herein by reference.

18. Governing Law. THIS PURCHASE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND FOR ALL PURPOSES SHALL BE GOVERNED BY, AND

CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE WITHOUT REGARD TO CHOICE OF LAW RULES.

19. Counterparts. This Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original hereof.

[Counterpart Signature to Purchase Agreement]

[UNDERWRITER SIGNATURE BLOCK]

[Signatures continue on following page]

[Counterpart Signature to Purchase Agreement]

CITY AND COUNTY OF SAN FRANCISCO,
as Issuer

By: _____
Name: Olson Lee
Title: Director, Mayor's Office of Housing and
Community Development

Approved as to Form:
DENNIS J. HERRERA
City Attorney

By: _____
Heidi J. Gewertz
Deputy City Attorney

[Signatures continue on following page]

[Counterpart Signature to Purchase Agreement]

T8 URBAN HOUSING ASSOCIATES, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

T8 URBAN CONDO OWNER, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT A-1

FORM OF OPINION OF COUNSEL TO THE BANK

November __, 2016

U.S. Bank National Association
San Francisco, California

City and County of San Francisco
San Francisco, California

Standard & Poor's

[UNDERWRITER]

\$[_____]
City and County of San Francisco
Variable Rate Demand
Multifamily Housing Revenue Bonds
(Transbay Block 8 Tower Apartments)
2016 Series H-[__]

\$[_____]
City and County of San Francisco
Variable Rate Demand
Multifamily Housing Revenue Bonds
(Transbay Block 8 Tower Apartments)
2016 Series H-[__] (Taxable)

[After appropriate introductory language, the opinion shall state substantially as follows:]

(a) The Bank is a banking corporation duly organized, validly existing and in good standing under the laws of the State of New York.

(b) The Bank is licensed to operate as a federal branch of a foreign banking organization.

(c) The Bank has full right, power and authority (i) to enter into, execute and deliver the Letter of Credit, the Intercreditor Agreement, and the Reimbursement Agreement (together, the "Bank Documents") and to perform its duties and obligations thereunder; (ii) to carry out the transactions contemplated by the "Related Documents" (as defined in the Reimbursement Agreement); and (iii) to carry on its business as currently being conducted and as contemplated to be conducted by the Related Documents.

(d) The Bank Documents have been duly authorized, executed and delivered by the Bank, and constitute the legal, valid and binding obligations of the Bank, enforceable against the Bank in accordance with their respective terms, except as may be limited by applicable federal and state bankruptcy, insolvency, liquidation, reorganization, moratorium or other similar laws relating to or affecting the Bank from time to time and except as the enforceability of each is subject to the application of general principles of equity (regardless of whether considered in a proceeding in equity or at law), and rights to indemnification which may be limited by applicable law or equitable principles or otherwise unenforceable as against public policy.

(e) The execution and delivery by the Bank of the Bank Documents, the performance of the obligations of the Bank thereunder or the performance of the other acts on the part of the Bank contemplated by the Related Documents will not conflict with (i) any (A) contractual or legal restriction or obligation, or (B) court or regulatory order, binding on or affecting the Bank, or (ii) any restriction contained in the Bank's articles of incorporation or bylaws.

(f) The Letter of Credit is exempt from the registration requirements of the Securities Act of 1933, as amended, and the Indenture securing the Bonds is not required to be qualified under the Trust Indenture Act of 1939.

(g) No authorization or approval or other action by, and no notice to or filing with any governmental authority or regulatory body is required for the due execution, delivery and performance by the Bank of its obligations under the Bank Documents or to act as contemplated by the Related Documents.

(h) I am not aware of any order or decree of any court or any order, regulation or demand of any government authority binding on the Bank, a default under which might materially adversely affect the operation of the Bank.

(i) There is no pending, nor am I aware of any threatened, action, suit, proceeding, inquiry or investigation before any court, public board or regulatory agency, against or affecting the Bank, in which an unfavorable decision, ruling or finding would adversely affect the Bank's powers, existence or the validity and enforceability of the Bonds or the Related Documents, or affect or seek to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds or the use of the Official Statement, or which might result in any material adverse change in the business condition (financial or otherwise) or operation of the Bank, or which might adversely affect the Bank's ability to perform its obligations under the Letter of Credit or act as contemplated by the Related Documents, or question the accuracy or completeness of the Offering Memorandum.

(j) The Bank Documents conform to the descriptions thereof contained in the Official Statement and the statements contained in the Official Statement on the cover and in the Official Statement under the captions "INTRODUCTION," "SECURITY FOR THE BONDS—The Letter of Credit," "THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT," ["THE INTERCREDITOR AGREEMENT,"] "THE BANK," "APPENDIX A – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL DOCUMENTS – The Reimbursement Agreement," [and] APPENDIX B – FORM OF LETTER OF CREDIT [and APPENDIX [] – FORM OF INTERCREDITOR AGREEMENT], insofar as such statements contained under such captions purport to summarize provisions of the Bank Documents, present a fair and accurate summary of such matters.

(k) The statements relating to the Bank Documents and the Bank (except with respect to financial information with respect to which we express no opinion) in the Official Statement are true, correct and complete, and the Official Statement does not contain, as of the date thereof, any untrue statement of fact relating to the Bank Documents or the Bank or omit to state any fact relating to the Bank Documents or the Bank required to be stated therein or necessary to make

the statements therein relating to the Bank Documents or the Bank, in light of the circumstances in which such statements were made, not misleading.

This opinion is rendered to you in connection with the issuance of the Letter of Credit by the Bank, and is intended solely for your use in connection therewith. It is not to be relied upon in any other context, nor is it to be relied upon by any other person or entity, for any other reasons whatsoever.

Very truly yours,

EXHIBIT A-2

FORM OF OPINION OF COUNSEL TO THE BANK

November __, 2016

U.S. Bank National Association
San Francisco, California

City and County of San Francisco
San Francisco, California

Standard & Poor's

[UNDERWRITER]

\$[_____]
City and County of San Francisco
Variable Rate Demand
Multifamily Housing Revenue Bonds
(Transbay Block 8 Tower Apartments)
2016 Series H-[__]

\$[_____]
City and County of San Francisco
Variable Rate Demand
Multifamily Housing Revenue Bonds
(Transbay Block 8 Tower Apartments)
2016 Series H-[__] (Taxable)

EXHIBIT B

FORM OF CERTIFICATE OF THE BANK

\$[_____]
City and County of San Francisco
Variable Rate Demand
Multifamily Housing Revenue Bonds
(Transbay Block 8 Tower Apartments)
2016 Series H-[__]

\$[_____]
City and County of San Francisco
Variable Rate Demand
Multifamily Housing Revenue Bonds
(Transbay Block 8 Tower Apartments)
2016 Series H-[__] (Taxable)

The Bank of China, New York Branch (the “Bank”) hereby certifies, in connection with the issuance of the above-captioned bonds (the “Bonds”), as follows:

(a) The Bank has full power and authority to execute, deliver and perform its obligations under and, on or prior to the date hereof, has duly authorized, executed and delivered each of the following which, as of the date hereof, are valid and binding obligations of the Bank, enforceable in accordance with their respective terms (collectively, the “Bank Documents”):

(i) the Letter of Credit issued by the Bank on the date hereof (the “Letter of Credit”), in favor of U.S. Bank National Association, as trustee (the “Trustee”);

(ii) the Reimbursement Agreement, dated as of November 1, 2016 (the “Reimbursement Agreement”), between T8 Urban Housing Associates, LLC, a Delaware limited liability company, and T8 Urban Condo Owner, LLC, a Delaware limited liability company (jointly and severally, the “Borrower”), and the Bank; and

(iii) [the Intercreditor Agreement to which the Bank is a party.]

(b) The Bank has complied with all agreements and covenants and satisfied all conditions contemplated by the Bank Documents on its part to be performed or satisfied at or prior to the date hereof.

(c) There is no action, suit, litigation, proceeding, inquiry or investigation at law or in equity or by or before any judicial or administrative court, agency, body or other entity, pending or, to the knowledge of the Bank, threatened against the Bank or any of its properties, wherein an unfavorable decision, ruling or finding (i) would adversely affect the validity or enforceability of the Bank Documents, (ii) might result in any material adverse change in the business, properties, assets, liabilities or condition (financial or other) of the Bank or (iii) would otherwise adversely affect the ability of the Bank to comply with its obligations under the Bank Documents.

(d) The statements and information contained in the Official Statement pertaining to the offering, sale and distribution of the Bonds (the “Official Statement”) under the heading “SECURITY FOR THE BONDS—The Letter of Credit,” “THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT,” [“THE INTERCREDITOR AGREEMENT,”]

“THE BANK,” [and] “APPENDIX D – FORM OF LETTER OF CREDIT” [and APPENDIX [] – FORM OF INTERCREDITOR AGREEMENT] do not, and, as of the date of delivery of the Bonds, did not, contain any untrue statement of material fact or omit to state any fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which such statements were made, not misleading in any material respect. [UNDERWRITER] (the “Underwriter”) is authorized to use the information in the Official Statement relating to the Bank in connection with the offering, sale and distribution of the Bonds.

(e) The Bank shall promptly, upon request, cause to be furnished to the Underwriter the audited annual financial statements prepared for the Bank.

IN WITNESS WHEREOF, the undersigned has executed this certificate on behalf of the Bank.

Dated: November __, 2016

BANK OF CHINA, NEW YORK BRANCH

By: _____
Its: _____

EXHIBIT C

CITY REQUIREMENTS

The following provisions shall apply to this Purchase Agreement as if set forth in the text thereof, and apply to the Borrower and the Underwriter, individually and not severally.

1. Nondiscrimination; Penalties.

(a) *Nondiscrimination.* In the performance of this Bond Purchase Agreement (the “Agreement”), T8 Urban Housing Associates, LLC, a Delaware limited liability company, T8 Urban Condo Owner, LLC, a Delaware limited liability company, and [UNDERWRITER] (each a “Contractor”) agrees not to discriminate against any employee, City employee working with the Contractor, applicant for employment with the Contractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person’s race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

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

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

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

(e) *Incorporation of Administrative Code Provisions by Reference.* The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section

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

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

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

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

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

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

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

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

(a) The MCO requires the Contractor to pay the Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and the Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by the Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is the Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, the City may pursue any of the remedies set forth in this Section against the Contractor. Nothing in this Section shall be deemed to grant the Contractor the right to subcontract.

(b) The Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

(c) The Contractor shall maintain employee and payroll records as required by the MCO. If the Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

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

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

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

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

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

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

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

(b) Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

(c) The Contractor's failure to comply with the HCAO shall constitute a material breach of this Agreement. The City shall notify the Contractor if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, the Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, the Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

(d) Any Subcontract entered into by the Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. The Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. The Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against the Contractor based on the Subcontractor's failure to comply, provided that the City has first provided the Contractor with notice and an opportunity to obtain a cure of the violation.

(e) The Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying the City with regard to the Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

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

(g) The Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the Agreement.

(h) The Contractor shall keep itself informed of the current requirements of the HCAO.

(i) The Contractor shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

(j) The Contractor shall provide the City with access to records pertaining to compliance with HCAO after receiving a written request from the City to do so and being provided at least ten business days to respond.

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

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

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

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

11. *Protection of Private Information.* The Contractor agrees to comply fully with and be bound by all of the provisions of Chapter 12M of the San Francisco Administrative Code

(the “Nondisclosure of Private information Ordinance”), including the remedies provided therein. The provisions of the Nondisclosure of Private Information Ordinance are incorporated herein by reference and made a part of this Agreement as though fully set forth. Capitalized terms used in this section and not defined in this Agreement shall have the meanings assigned to such terms in the Nondisclosure of Private Information Ordinance. Consistent with the requirements of the Nondisclosure of Private Information Ordinance, the Contractor agrees to all of the following:

(i) Neither the Contractor nor any of its Subcontractors shall disclose Private Information obtained from the City in the performance of this Agreement to any other Subcontractor, person, or other entity, unless one of the following is true:

(1) the disclosure is authorized by this Agreement;

(2) the Contractor received advance written approval from the Contracting Department to disclose the information; or

(3) the disclosure is required by law or judicial order.

(ii) Any disclosure or use of Private Information authorized by this Agreement shall be in accordance with any conditions or restrictions stated in this Agreement. Any disclosure or use of Private Information authorized by a Contracting Department shall be in accordance with any conditions or restrictions stated in the approval.

(iii) Private Information shall mean any information that: (1) could be used to identify an individual, including without limitation, name, address, social security number, medical information, financial information, date and location of birth, and names of relatives; or (2) the law forbids any person from disclosing.

(iv) Any failure of the Bank to comply with the Nondisclosure of Private Information Ordinance shall be a material breach of this Agreement. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate this Agreement, debar the Contractor, or bring a false claim action against the Contractor.

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

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

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

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

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

15. *Conflict of Interest.* Through its execution of this Agreement, the Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City’s Charter,

Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such violation of which the Contractor has actual knowledge during the term of this Agreement.

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

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

18. *Proprietary or Confidential Information of City.* The Contractor agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the City and its obligations, (g) with the consent of the City or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Contractor on a nonconfidential basis from a source other than the City. For the purposes of this Section, "Information" means all information received from the City relating to the City or its business, other than any such information that is available to the

Contractor on a nonconfidential basis prior to disclosure by the City; provided that, in the case of information received from the City after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

[Signature Page to Borrower's Rule 15c2-12 Certificate]

IN WITNESS WHEREOF, I have hereunto set my hand this as of the date set forth above.

T8 URBAN HOUSING ASSOCIATES, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

T8 URBAN CONDO OWNER, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____