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BOND PURCHASE AGREEMENT

by and among

CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA,

1500 MISSION URBAN HOUSING, LP,

DEUTSCHE BANK SECURITIES, INC.,

and

HILLTOP SECURITIES INC.

Dated \_\_\_\_\_, 2017

Relating to:

[\$316,800,000]

CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA

MULTIFAMILY HOUSING REVENUE BONDS

(1500 MISSION STREET APARTMENTS)

SERIES 2017E

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## BOND PURCHASE AGREEMENT

**HILLTOP SECURITIES INC.**, a corporation duly organized and validly existing under the laws of the State of Delaware (together with its successors, assigns or designees hereunder, the “*Initial Purchaser*”), hereby offers to enter into the following agreement with the **CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA**, a municipal corporation duly organized and existing pursuant to its charter and the laws and constitution of the State of California (together with its successors and assigns, the “*Issuer*”), **1500 MISSION URBAN HOUSING, LP**, a Delaware limited partnership (together with its permitted successors and assigns, the “*Borrower*”), **DEUTSCHE BANK SECURITIES, INC.** (together with its successors and assigns, “*DB*” or the “*Purchaser*”), for the sale by the Issuer, the initial purchase by the Initial Purchaser of the Bonds described below and the subsequent purchase by the Purchaser of the Bonds described below, which are being issued by the Issuer for the benefit of the Borrower in connection with the Project. Upon your acceptance of this offer and your execution and delivery of this Bond Purchase Agreement (this “*Agreement*”), this Agreement will be binding upon each of you and the Initial Purchaser. This offer is made subject to your acceptance, evidenced by your execution and delivery of this Agreement to the Initial Purchaser, at or prior to 11:00 A.M. New York, New York time on \_\_\_\_\_, 2017 and will expire if not so accepted at or prior to such time (or such later time as the Initial Purchaser and the Purchaser may agree in writing).

Section 1. Definitions. The capitalized terms used in this Agreement have the meanings assigned to them in the Glossary of Terms attached as Exhibit A hereto.

Section 2. Issue, Purchase and Sale.

2.1 Subject to the terms and conditions set forth in this Agreement, the Initial Purchaser hereby agrees to purchase all (but not less than all) of the Bonds from the Issuer and the Issuer hereby agrees to sell to the Initial Purchaser when, as and if issued, all (but not less than all) of the Bonds identified in Item 1 in Exhibit B attached hereto for a total purchase price equal to the purchase price set forth as Item 3 on Exhibit B attached hereto. Pursuant to the Indenture, the Bonds will be issued and purchased by the Initial Purchaser in installments as draw-down Bonds in the amounts and on the dates set forth in Schedule I hereto except as otherwise agreed by the Initial Purchaser, the Purchaser and the Borrower. Subsequent to the initial purchase of the Bonds, the Initial Purchaser hereby agrees to sell all (but not less than all) of the Bonds to the Purchaser in the amounts and on the dates set forth in Schedule I hereto except as otherwise agreed by the Initial Purchaser, the Purchaser and the Borrower. For its services hereunder, on the Closing Date (defined below), the Initial Purchaser shall receive compensation, payable by the Borrower, equal to \$\_\_\_\_\_.

2.2 The Bonds will (i) be issued in accordance with the Issuer’s enabling legislation and all applicable procedural and substantive requirements and the Indenture and (ii) have the payment related terms (that is, the dated date, maturity date, interest rates, interest payment dates and redemption provisions) set forth in Item 3 of Exhibit B attached hereto. As a condition to the sale of the Bonds, each of the Initial Purchaser and the Purchaser will execute and deliver an Investor Letter to the Trustee and the Issuer on the Closing Date.

2.3 The Project is required to be operated in compliance with a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of November 1, 2017 (the “*Regulatory Agreement*”), among the Issuer, the Trustee and the Borrower. The Regulatory Agreement contains certain representations, warranties and covenants concerning the operation of the Project.

Section 3. Closing. The Closing will take place at the time and on the date set forth in Item 5 of Exhibit B attached hereto or at such other time or on such other date as may be mutually agreed upon

by the parties hereto. At or prior to the Closing, the Issuer will direct the Trustee to deliver the Bonds to or upon the order of the Initial Purchaser, pursuant to the DTC FAST System, in definitive form, duly executed and authenticated by the Trustee. Subject to the terms and conditions hereof, the Issuer will deliver or cause to be delivered at the Place of Closing as set forth in Item 5 of Exhibit B attached hereto, the other documents and instruments to be delivered pursuant to this Agreement (the “*Closing Documents*”) and the Initial Purchaser will accept delivery of the Bonds and Closing Documents and pay the initial purchase price for the Bonds as set forth in Section 2.1 above by wire transfer, to the Trustee, in immediately available federal funds, for the account of the Issuer or as the Issuer directs. The Bonds will be made available to the Initial Purchaser at least one business day before the Closing for purposes of inspection. The Bonds will be prepared and delivered as fully registered Bonds without coupons in denominations of [\$316,800,000]. The Bonds will be registered by the Trustee in the name of Cede & Co., as nominee for DTC.

Section 4. Representations and Warranties of Issuer.

4.1 The Issuer, subject to the limitations provided herein, hereby makes the following representations and warranties to the Initial Purchaser and the Purchaser:

(a) The Issuer is duly organized and validly existing under the laws of the State, with full legal right, power and authority to issue, sell and deliver the Bonds to the Initial Purchaser pursuant to the Indenture, and execute, deliver and perform its obligations, as the case may be, under this Agreement, the Indenture, the Bonds, the Loan Agreement, the Tax Certificate and the Regulatory Agreement (collectively, the “*Issuer Documents*”) and to perform and consummate all of its obligations and transactions required or described in each of the Issuer Documents;

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

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

(d) The Bonds, when duly issued and authenticated in accordance with the Indenture and delivered to and paid for by the Initial Purchaser as provided herein, assuming proper authentication by the Trustee, will be validly issued and outstanding limited obligations of the Issuer, entitled to the benefits of the Indenture and payable from the sources specified therein;

(e) The Issuer has executed and delivered, or will execute and deliver on or before the Closing Date, each of the Issuer Documents. Each of the Issuer Documents constitutes, or will, as of the Closing Date, constitute, a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, or other laws affecting creditors’ rights generally and by the application of equitable principles as the court having jurisdiction may impose, regardless of whether such proceeding is considered in a proceeding in equity or law, and to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities in the State.;

(f) The Issuer is not in any respect in breach of or in default under any constitutional provision, law or administrative regulation of the State or of the United States or any agency or instrumentality of either, or of any other governmental agency, or any Material Judgment or Agreement

(as defined below), which breach or default would have a material adverse effect on the Issuer's ability to perform its obligations under the Issuer Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a breach of or a default or an event of default under any such instrument which breach or default would have a material adverse effect on the Issuer's ability to perform its obligations under the Issuer Documents; provided that no representation is made regarding compliance with any federal or state securities or "blue sky" laws; and (ii) the issuance, delivery and sale of the Bonds and the execution and delivery of the Issuer Documents and compliance with and performance of the Issuer's obligations therein and herein will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under, any law, administrative regulation or any Material Judgment or Agreement, which breach or default would have a material adverse effect on the Issuer's ability to perform its obligations under the Issuer Documents. As used herein, the term "Material Judgment or Agreement" means any judgment or decree or any loan agreement, indenture, bond, note or resolution or any material agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its property or assets is otherwise subject (including, without limitation, the Act, the Resolution and the Issuer Documents);

(g) All approvals, consents, orders, authorizations, filings or registrations of or with any governmental authority, board, agency, council, commission or other body having jurisdiction, on its part required, which would constitute a condition precedent to the execution and delivery by the Issuer of the Issuer Documents or issuance of the Bonds, or the performance by the Issuer of its obligations hereunder and under the Issuer Documents have been obtained, or will be obtained on or by the Closing Date (except for the filing of the IRS Form 8038 or the CDLAC Report of Action Taken, both of which will be filed after the Closing Date); 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) The Issuer has complied, and will at the Closing Date be in compliance, in all material respects with the Issuer Documents, and any immaterial noncompliance by the Issuer, if any, will not impair the ability of the Issuer to carry out, give effect to or consummate the transactions on its part contemplated by the foregoing. From and after the date of issuance of the Bonds, the Issuer will continue to comply with the covenants of the Issuer contained in the Issuer Documents.

(i) The Issuer will apply the proceeds of the Bonds in accordance with the Issuer Documents.

(j) No litigation, proceeding or official investigation of any governmental or judicial body is pending against the Issuer, with service of process having been accomplished, or, to the knowledge of the Issuer, after due inquiry, threatened against the Issuer by prospective party or their counsel in a writing addressed to and properly served on the Issuer: (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Bonds, or in any way contesting or affecting any proceedings of the Issuer taken concerning the sale thereof, or the pledge, collection, application or payment of any moneys or security provided for the payment of principal and interest on the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity or binding effect of any of the Issuer Documents, (iii) which is in any way contesting the creation, existence, powers or jurisdiction of the Issuer or the entitlement of any officers of the Issuer to their respective offices or the validity or effect of the Indenture or the Act or any provision thereof or the application of the proceeds of the Bonds or (iv) which, if adversely determined, could materially adversely affect (A) the Project, (B) the transactions described in 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 Bonds or (E) the use of the proceeds of the Bonds to make the Loan.

4.2 Any certificate signed by any official of the Issuer and delivered to the Purchaser or the Initial Purchaser in connection with the delivery of the Bonds will be deemed to be a representation and warranty by the Issuer to the Initial Purchaser or the Purchaser, as appropriate, as to the statements made therein.

Section 5. Representations, Covenants and Agreements of the Initial Purchaser and the Purchaser.

The Initial Purchaser and the Purchaser represent to and covenant and agree with the Issuer, each as to itself only, that:

- (a) It has been duly authorized to enter into this Agreement.
- (b) The Initial Purchaser and the Purchaser shall comply with the San Francisco Business Tax Ordinance and shall, if not otherwise exempt from such ordinance, provide to the Commission a Business Tax Registration Certificate on or prior to the date hereof.
- (c) The Initial Purchaser and the Purchaser shall comply with Chapter 12B of the San Francisco Administrative Code, entitled “Nondiscrimination in Contracts,” which is incorporated herein by this reference.
- (d) The Initial Purchaser and the Purchaser is not in material violation of, or in material breach of or in material default under, any applicable law, regulation, order or agreement to which it is a party or by which it is bound, which violation or breach would have a material adverse effect on its ability to execute, deliver and perform this Agreement.
- (e) This Agreement, assuming due and legal execution and delivery thereof by, and validity against, the Issuer, when executed by the Initial Purchaser and the Purchaser, will be a legal, valid and binding obligation of the Initial Purchaser and the Purchaser enforceable in accordance with its terms, subject to valid bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors’ rights generally.

Section 6. Representations and Warranties of Borrower.

6.1 The Borrower makes the following representations and warranties to the Issuer, the Initial Purchaser and the Purchaser, as of the date hereof, all of which will continue in effect subsequent to the purchase of the Bonds:

- (a) The Borrower is, and at all times will be, a limited partnership, duly organized, validly existing and in good standing under the laws of the State of Delaware and duly qualified, authorized and licensed under the laws of the State to transact business as a limited partnership for the purpose of owning and operating a multifamily housing facility in the State. All partners and other entities that comprise the Borrower and are included on the Borrower’s signature page hereto (collectively, the “Partners”), are, and at all times will be organized, existing and in good standing under the laws of the state in which they are formed and are in good standing and duly qualified, authorized and licensed under the laws of the State, to the extent required by applicable law. There are no general partners of the Borrower other than those reflected in the Borrower’s signature block hereto.
- (b) The Borrower has full legal right, power and authority to execute, deliver and perform its obligations, as the case may be, under the Borrower Documents and to perform and consummate all obligations and transactions required or described in each of the Borrower Documents.

The Partners have, and on the Closing Date will have, full legal right, power and authority to execute and deliver this Agreement and the other Loan Documents on behalf of the Borrower.

(c) By all necessary action, the Borrower has duly approved the execution and delivery of the Borrower Documents to which it is a party, 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 to be performed by it contemplated by the Indenture and the Borrower Documents in connection with the issuance of the Bonds. The Loan Agreement, the Note and the Deed of Trust when assigned to the Trustee pursuant to the Indenture, will, to the extent of such assignment, constitute the legal, valid and binding agreement of the Borrower with the Trustee enforceable against the Borrower in accordance with their respective terms for the benefit of the Purchaser, and the Borrower Documents, to the extent that any rights of the Issuer and obligations of the Borrower thereunder are not so assigned to the Trustee, will constitute the legal, valid and binding agreements of the Borrower enforceable against the Borrower in accordance with their respective terms, except as enforcement of each of the above-named documents may be limited by bankruptcy, insolvency, moratorium and other laws affecting the enforcement of creditors' rights generally and by the application of such equitable principles as the court having jurisdiction may impose, regardless of whether such enforceability is considered in a proceeding in equity or at law and except as the indemnification provisions contained in any of the above-named documents may be found to be contrary to public policy.

(d) The Borrower has executed and delivered, or will execute and deliver on or before the Closing Date, each of the Borrower Documents, to which it is a party. Each of the Borrower Documents, to which it is a party, constitutes, or will, as of the Closing Date, constitute, a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, or other laws affecting creditors' rights generally and by the application of equitable principles as a court having jurisdiction may impose, regardless of whether such proceeding is considered a proceeding in equity or law. No consent or approval of any trustee or holder of any indebtedness of the Borrower, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except in connection with Blue Sky proceedings as to which no representation is made), is necessary in connection with the approval and delivery of this Agreement.

(e) 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 Bonds.

(f) (i) The Borrower is not in any material respect in breach of or in default under any constitutional provision, law, order, rule or administrative regulation of the State or of the United States or any agency or instrumentality of either, or of any other governmental agency, or any Material Judgment or Agreement (as defined below), which breach or default would have a materially adverse effect on the Borrower's ability to perform its obligations under any Material Judgment or Agreement, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, a default or event of default under any such instrument which breach or default would have a material adverse effect on the Borrower's ability to perform its obligations under any Material Judgment or Agreement; and (ii) the issuance, delivery and sale of the Bonds, and the execution and delivery of the Borrower Documents and compliance with and performance of the Borrower's obligations therein and herein will not conflict with, violate or result in a breach of or constitute on the part of Borrower a default under, any such constitutional provision, law, order, rule, administrative regulation or any Material Judgment or Agreement which breach or default would have a material adverse effect on the Borrower's ability to perform its obligations under any Material Judgment or Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security

interest or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower or under the terms of any such law, order, rule, administrative regulation or Material Judgment or Agreement. As used in this Section 6.1, 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).

(g) All approvals, consents, authorizations and orders of any governmental authority, board, agency, council, commission or other body having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the execution and delivery by the Borrower of the Borrower Documents or the performance by the Borrower of its obligations thereunder have been obtained and are in full force and effect, or will be obtained and be in full force and effect prior to or by the Closing Date (except for certain building permits, some of which may be obtained post-Closing); provided that, the Borrower makes no representations as to any approvals, consents or other actions which may be necessary to qualify the Bonds for offer and sale under Blue Sky or other state securities laws or regulations. Additionally, the Borrower has obtained the necessary governmental agency approvals, all variances from applicable zoning ordinances and all building permits (except for certain building permits, some of which may be obtained post-Closing) and easements or licenses required to date for the acquisition, construction, improvement, installation and equipping of the Project, to the extent such governmental agency approvals, variances, permits, easements and licenses constitute all approvals required by the date hereof to acquire, construct, improve, install and equip the Project.

(h) The execution and delivery by the Borrower of this Agreement and the Loan Documents and the consummation by the Borrower of the transactions contemplated hereby and thereby are not prohibited by, do not violate any provision of, and will not result in a breach of or default under (i) the partnership agreement or operating agreement of the Borrower, as applicable, (ii) to the best of the Borrower’s knowledge, any applicable law, rule, regulation, order, writ, injunction, judgment or decree of any court or governmental body or other requirement to which the Borrower is subject, or (iii) any contract, indenture, agreement, mortgage, lease, note, commitment or other obligation or instrument to which one or both of the Borrower is a party or by which the Borrower or its properties is bound.

(i) The Borrower has all necessary power and authority to conduct the business now being conducted by it and as contemplated by the Borrower Documents.

(j) No action, suit, inquiry, litigation, proceeding or investigation of any governmental or judicial body is pending (and, in the case of litigation, for which it has been served with process) against the Borrower or, to the knowledge of the Borrower, after due and diligent inquiry, 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 consummation of the transactions contemplated thereby or hereby, (iii) which is in any way contesting the creation, existence, authority, powers or jurisdiction of the Borrower, or the authority of its authorized signatories executing this Agreement or the validity, enforceability or effect of the Indenture or the Act or any provision thereof or the application of the proceeds of the Bonds, or the exclusion from gross income for federal income tax purposes of the Bonds, or (iv) which, if adversely determined, could materially adversely affect the financial condition, assets, properties, or operations of the Borrower or any of the Borrower Documents; nor, to the Borrower’s knowledge, after due and diligent inquiry, is there any basis for any such action, suit, inquiry, litigation, proceeding or investigation.

(k) No representation made, nor any information, exhibit or report furnished to the Issuer, the Initial Purchaser and the Purchaser by the Borrower in connection with the negotiation of this Agreement or any of the other Borrower Documents contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect. There is no fact actually known to the Borrower, or that would have been known to the Borrower after the exercise of due diligence, that the Borrower has not disclosed to the Issuer, the Initial Purchaser and the Purchaser that materially and adversely affects the properties, business, assets or operations (financial or otherwise) of the Borrower or the ability of the Borrower to perform its obligations under this Agreement, any of the other Borrower Documents, or any documents or transactions contemplated hereby or thereby.

6.2 Each of the representations and warranties set forth in this Section will survive until the Maturity Date of the Bonds.

6.3 Any certificates executed by any authorized representative of the Borrower and delivered to the Initial Purchaser, the Purchaser or the Issuer pursuant hereto or in connection herewith shall be deemed a representation and warranty of the Borrower when made as to the accuracy of the statements therein made. Additionally, all information provided by the Borrower and all representations made by the Borrower in its application to Issuer and the California Debt Limit Allocation Committee relating to the Project are true and correct in all material respects [when made].

#### Section 7. Covenants.

7.1 The Issuer hereby makes the following covenants with the Initial Purchaser and the Purchaser:

(a) Prior to the Closing, the Issuer will not amend, terminate or rescind, and will not agree to any amendment, termination or rescission of the Resolution or the Issuer Documents without prior written notice to the Initial Purchaser and the Purchaser.

(b) The Issuer will cause the Bonds to be delivered as provided herein.

(c) Prior to the Closing, the Issuer will obtain all governmental consents, approvals, orders or authorizations of any governmental authority or agency that would constitute a condition precedent to the performance by it of its obligations under the Resolution, this Agreement, the other Issuer Documents and the Bonds.

(d) The Issuer will not take or omit to take any action which will in any way cause the proceeds of the Bonds to be applied in a manner other than as provided in the Indenture or which would cause the interest on the Bonds to be includable in the gross income of the owners thereof for federal income tax purposes; provided however that a breach by Borrower of its covenant in Section 7.2(a) or a default by the Borrower in any of its covenants, representations and agreements in the Borrower Documents shall not be considered a breach hereof by the City.

7.2 The Borrower hereby makes the following covenants with the Issuer, the Initial Purchaser and the Purchaser:

(a) The Borrower will not take or omit to take any action which will in any way cause the proceeds of the Bonds to be applied in a manner other than as provided in the Indenture and the Loan Agreement or which would cause the interest on the Bonds to be includable in the gross income of the owners thereof for federal income tax purposes.

(b) Prior to the Closing, the Borrower will obtain all governmental consents, approvals, orders or authorizations of any governmental authority or agency that by their nature are obtainable prior to the Closing Date and would constitute a condition precedent to the performance by it of its obligations under the Loan Documents. After the Closing, the Borrower will use commercially reasonable efforts to obtain all governmental consents, approvals, orders or authorizations of any governmental authority or agency that would constitute a condition precedent to the performance by it of its obligations under the Loan Documents.

(c) The Borrower shall not violate or breach in any material respect any other covenants contained in the Loan Documents.

Section 8. Conditions of Closing.

8.1 The Initial Purchaser and the Purchaser have entered into this Agreement in reliance upon representations, covenants and agreements of the Issuer and the Borrower contained herein, in reliance upon the representations, covenants and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer and the Borrower of their obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Initial Purchaser's obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds and the Purchaser's subsequent purchase of the Bonds from the Initial Purchaser will be subject to the performance by the Issuer and the Borrower of their respective obligations to be performed by them hereunder at or prior to the Closing, and to the accuracy in all material respects of the representations, covenants and agreements of the Issuer and of the Borrower contained herein as of the date hereof and as of the Closing as if made on the Closing Date, and will also be subject to the following additional conditions:

(a) The Initial Purchaser and the Purchaser shall not have discovered any material error, misstatement or omission in the representations and warranties made by either the Issuer or the Borrower in this Agreement, which representations and warranties will be deemed to have been made again at and as of the time of the Closing and will then be true in all material respects.

(b) The Borrower and the Issuer shall have each performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by them at or prior to Closing.

(c) This Agreement, the other Issuer Documents and the Loan Documents each shall have been executed and delivered by each of the parties thereto, shall be in full force and effect on and as of the Closing Date and shall be in form and substance reasonably satisfactory to the Initial Purchaser and the Purchaser and no event of default shall exist under any such documents.

8.2 In addition to the conditions set forth in Section 8.1, the obligations of the Initial Purchaser and the Purchaser to consummate at the Closing the transactions contemplated hereby are subject to receipt by the Initial Purchaser and the Purchaser of the following items:

(a) An approving opinion of Bond Counsel (with a reliance letter to the Initial Purchaser and to Purchaser), dated the Closing Date, in form and substance reasonably satisfactory to the Initial Purchaser and the Purchaser.

(b) An opinion of Bond Counsel, dated the Closing Date, and addressed to the Initial Purchaser, substantially in the form set forth in Exhibit C;

(c) An opinion of the Office of the City Attorney, counsel to the Issuer, (addressed to the Issuer) or a certificate of the Issuer, in form and substance reasonably satisfactory to the Initial Purchaser and the Purchaser, dated the Closing Date and covering the points identified in Exhibit D;

(d) An opinion or opinions of counsel to the Borrower, the Partners and the Guarantor, addressed to the Issuer, the Initial Purchaser and the Purchaser dated the Closing Date substantially in the form set forth in Exhibit F;

(e) A certificate or certificates of the Borrower, dated the Closing Date in form and substance reasonably satisfactory to the Initial Purchaser, the Purchaser and Bond Counsel, respecting certain tax matters as may be reasonably required by Bond Counsel to enable it to give its opinion, substantially in the form set forth in Exhibit E;

(f) An opinion of counsel to the Trustee or a Trustee's certificate addressed to the Initial Purchaser and the Purchaser, covering the points identified in Exhibit G;

(g) A certified copy of the Resolution and executed counterparts of each of the Issuer Documents and the Loan Documents; and

(h) Such additional financing statements, legal opinions, certificates and other documents as the Initial Purchaser, the Purchaser or Bond Counsel may reasonably deem necessary to evidence the truth and accuracy as of the Closing Date of the respective representations and warranties herein contained and to evidence compliance by the Issuer and the Borrower with this Agreement and all applicable legal requirements, and the due performance and satisfaction by the Issuer or the Borrower at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer or the Borrower.

8.3 If any of the conditions set forth in Sections 8.1 or 8.2 have not been met on the Closing Date, the Initial Purchaser or the Purchaser may, at their sole option, terminate this Agreement, without any liability therefor, effective upon written notice to the Issuer, or proceed to Closing upon waiving any rights under this Agreement with respect to any such condition. If this Agreement is terminated pursuant to this Section or Section 10 below, no party will have any rights or obligations to any other party, except as provided in Section 11.

Section 9. Actions and Events at the Closing. The following events will take place at the Closing:

(a) The Issuer will deliver the Bonds to the Trustee for closing through DTC's book-entry only system. The Bonds so delivered will be in the form required by the Indenture, duly executed on behalf of the Issuer and authenticated by the Trustee, and will be fully registered in the name of Cede & Co., as nominee for DTC.

(b) The Issuer and the Borrower, as applicable, will deliver or cause to be delivered to the Initial Purchaser and the Purchaser at the place set forth in Item 5 in Exhibit B, or at such other place or places as the parties hereto may mutually agree upon, the materials described in Section 8.2.

(c) The Initial Purchaser will deliver to the Trustee, for the account of the Issuer, an amount equal to the purchase price of the initial installments of the Bonds as set forth in Item 3 of Exhibit B by wire transfer to the Trustee, in immediately available federal funds.

Section 10. Termination of Agreement. If the Borrower or the Issuer shall be unable to satisfy their respective covenants or obligations hereunder or upon the occurrence of any of the events listed below in this Section 10, then, after consultation with the Issuer and Borrower, this Agreement may be cancelled by the Initial Purchaser or the Purchaser at any time on or prior to the Closing Date, effective upon written notice to the Issuer and Borrower. If this Agreement is terminated pursuant to this Section or Section 8 above, no party will have any rights or obligations to any other party, except as provided in Section 11.

The Initial Purchaser or the Purchaser may terminate this Agreement as provided in the preceding paragraph, without any liability therefor, if:

(a) the market for the Bonds or the market prices of the Bonds or the ability of the Initial Purchaser to enforce contracts for the sale of the Bonds shall have been materially and adversely affected, in the reasonable professional judgment of the Initial Purchaser, by events (1) – (7) below:

1. An amendment to the Constitution of the United States or the State shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States shall have been amended or legislation shall have been recommended to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the IRS or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such Committee by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or announcement

shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the Issuer or upon interest received on obligations of the general character of the Bonds which, in the judgment of the Initial Purchaser, 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 Bonds) or the interest thereon, or any tax exemption granted or authorized by State legislation; or

2. The declaration of war by or against the United States, any major new escalation of military hostilities by the United States or the occurrence of any other national or international emergency or calamity or terrorism affecting the operation of the government of, or the financial community in, the United States; or

3. The declaration of a general banking moratorium by federal, New York or State authorities; or

4. The occurrence of a major financial crisis, a material disruption in municipal bond market securities settlement, payment or clearance services or any calamity or crisis in the financial markets of the United States, or a material disruption or deterioration in the fixed income or municipal securities market that, in the reasonable professional opinion of the Initial Purchaser and Purchaser, affects the sale of the Bonds; or

5. Additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon the trading of securities in general or on the Bonds, or with respect to the extension of credit by or the charge to the net capital requirements of underwriters or broker-dealers, by any governmental authority or by any national securities exchange; or

6. The general suspension of trading on, or other material restrictions on, any national securities exchange not in effect as of the date hereof; or

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

(b) 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 Securities and Exchange Commission (“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 otherwise, is or would be in violation of the federal securities law then in effect; or

(c) 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, 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

(d) 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, 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

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

(f) [Legislation shall have been introduced in or enacted by the legislature of the State that would, in the reasonable professional judgment of the Initial Purchaser or the Purchaser, adversely affect the security for the Bonds; or]

(g) [There shall have occurred any change that, in the reasonable professional judgment of the Initial Purchaser or the Purchaser, makes unreasonable or unreliable any of the assumptions upon which (i) yield on the Bonds for purposes of compliance with the Code, (ii) payment of debt service on the Bonds, or (iii) the basis for the exclusion from gross income for federal income tax purposes of interest on the Bonds, is predicated.]

Section 11. Fees and Expenses; Costs of Issuance. All costs, fees and expenses incident to the performance of the Issuer's, Initial Purchaser's, Purchaser's and Borrower's obligations in connection with the issuance and purchase of the Bonds, including the reasonable expenses of counsel, as well as expenses relating to the meals, transportation, lodging, and entertainment incidental to implementing this Agreement, shall be paid by the Borrower on the Closing Date.

Section 12. Indemnification by Borrower.

(a) The Borrower agrees to pay, defend, protect, indemnify, save and hold harmless the Issuer, the Initial Purchaser, the Purchaser and each affiliate, member, officer, director, official, employee and agent of the Issuer, the Initial Purchaser, the Purchaser and each person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (referred to herein as an "Indemnified Party" and collectively as the "*Indemnified Parties*"), against any and all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees), causes of action (whether in contract, tort or otherwise), suits, claims, demands and judgments of any kind, character and nature (collectively referred to herein as the "*Liabilities*") caused by or directly or indirectly arising from or in any way relating to the Bonds, the Project, the Loan Agreement, the Indenture, this Agreement or any document related to the Bonds, the Project, the loan of the proceeds of the Bonds (the "*Transaction Documents*") or any transaction or

agreement, written or oral, pertaining to the foregoing; provided, however, that the Borrower shall not be required to indemnify, save or hold harmless (a) the Issuer from any claims, costs, fees, expenses or liabilities arising solely from the willful misconduct of the Issuer and (b) any other Indemnified Party for losses caused by the negligence or the willful misconduct of the Indemnified Party.

(b) The Borrower also agree to pay, defend, protect, indemnify, save and hold harmless the Initial Purchaser and the Purchaser and each affiliate, member, officer, director, official, employee and agent of the Initial Purchaser and the Purchaser from and against the Liabilities directly or indirectly arising from or relating to (i) 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, the Borrower or the Project [and (ii) any fraud or misrepresentations or omissions contained in the proceedings of the Issuer pertaining to the financial condition of the Borrower].

(c) The Indemnified Party shall, in the event of any claim, suit, action or proceeding against it with respect to which indemnity may be sought on account of any indemnity agreement by the Borrower contained herein, promptly give written notice thereof to the Borrower, [provided however, no indemnity shall be provided if notice is not timely given and such failure results in the forfeiture by the Borrower of substantial rights and defenses]. When such notice is given, the Borrower shall be entitled to participate, at their own expense, in the defense of, or if it so elects, to assume the defense of, such claim, suit, action or proceeding, in which event such defense shall be conducted by counsel chosen by the Borrower, provided that each Indemnified Party 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 the Borrower shall elect not to assume such defense, it shall assume the payment of all expenses related thereto. Notwithstanding the above, each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and to participate in the investigation and defense thereof, provided that the Borrower shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the Borrower to represent the Indemnified Party would present such counsel with a conflict of interest, (ii) the actual or potential defendants in, or targets of, any such action include both the Indemnified Party and the Borrower and the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it and/or other Indemnified Parties that are materially different from or in addition to those available to the Borrower, (iii) the Borrower shall not have employed counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party within a reasonable time after notice of the institution of such action, or (iv) the Borrower shall authorize the Indemnified Party to employ separate counsel at the expense of the Borrower. Each and every Indemnified Party shall have the right to compromise, settle or conclude any claim, action or proceeding against it with the written consent of the Borrower, which consent shall not be unreasonably withheld. The foregoing notwithstanding, in the event that the Borrower shall assume such defense and any Indemnified Party or Parties shall be advised in writing by independent legal counsel in its reasonable opinion that counsel selected by the Borrower is not fully and adequately protecting such party or parties and representing the interests of such party or parties and the Borrower has been given written notice thereof and a reasonable opportunity to cure or find other counsel acceptable to the Indemnified Parties, any such Indemnified Party or Parties shall have the right to conduct its own defense against any such claim, suit, action or proceeding in addition to or in lieu of any defense conducted by the Borrower, and the Indemnifying Party shall indemnify and hold harmless such Indemnified Party or Parties against and from any and all suits, claims, damages, liabilities or expenses whatsoever, including reasonable fees and expenses of counsel selected by such Indemnified Party or Parties incurred by and arising out of or in connection with any such claim, suit, action or proceeding.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnity provided for in paragraph (a) or (b) of this Section 11 is for any reason held to be unavailable, the Borrower and the Indemnified Party shall contribute proportionately to the aggregate Liabilities to which the Borrower and the Indemnified Party may be subject, so that the Indemnified Party

is responsible for that portion represented by the percentage that the fees paid by the Borrower to the Indemnified Party in connection with the issuance and administration of the Bonds bear to the aggregate offering price of the Bonds, with the Borrower responsible for the balance; provided, however, that in no case shall the Indemnified Party be responsible for any amount in excess of the fees paid by the Borrower to the Indemnified Party in connection with the issuance and administration of the Bonds.

(e) The Indemnified Parties, other than the Issuer and the Purchaser, shall be considered to be third party beneficiaries of this Agreement for purposes of this Section 11. The provisions of this Section 11 will be in addition to all liability which the Borrower may otherwise have and shall survive any termination of this Agreement, the offering and sale of the Bonds and the payment or provisions for payment of the Bonds. No person guilty of fraudulent misrepresentation (within the meaning of Section 10(b) of the Securities Exchange Act of 1934) shall be entitled to contribution from any person who was not guilty of such misrepresentation.

The indemnification hereunder shall be in addition to, and shall not limit, any indemnity granted by the Borrower pursuant to the Loan Agreement or any other document.

Section 13. Miscellaneous.

13.1 All notices, demands and formal actions hereunder will be writing and mailed, telecopied or delivered to the following address or such other address as any of the parties shall specify:

If to the Initial Purchaser: Hilltop Securities Inc.  
1201 Elm Street, Suite 3500  
Dallas, TX 75270  
Facsimile: (214) 859-9475  
Attention: Mark A. McGruder

And to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Fax: \_\_\_\_\_

Following the Conversion Date, \_\_\_\_\_  
with a copy to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Fax: \_\_\_\_\_

And a copy of any notices of \_\_\_\_\_  
default sent to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Fax: \_\_\_\_\_

If to DB:	Deutsche Bank Securities, Inc. 60 Wall Street, 3rd floor Attention: Municipal Capital Markets New York, New York 10005 Facsimile: (917) 338-4032
If to the Issuer:	City and County of San Francisco City Hall, 1 Dr. Carlton B. Goodlett Place, Rm. 316 San Francisco, California 94102 Attention: City Controller
With copies to (which shall not constitute notice to the Issuer):	City and County of San Francisco City Hall, 1 Dr. Carlton B. Goodlett Place, Rm. 140 San Francisco, California 94102 Attention: City Treasurer
	Office of the City Attorney City Hall, 1 Dr. Carlton B. Goodlett Place, Rm. 234 San Francisco, California 94102 Attention: Finance Team
If to the Borrower:	1500 Mission Urban Housing, LP c/o Related California 44 Montgomery Street, Suite 1300 San Francisco, California 94104 Attention: Geno Canori
With copies to (which shall not constitute notice to the Borrower):	The Related Companies, L.P. 60 Columbus Circle, 19 <sup>th</sup> Floor New York, NY 10023 Attention: Jennifer McCool, Chief Legal Officer
	Levitt & Boccio, LLP 423 West 55th Street, 8th Floor New York, NY 10019 Attention: David S. Boccio, Esq.
	Norris George & Ostrow PLLC 1627 Eye Street, N.W., Suite 1220 Washington, DC 20006 Attention: Wade Norris, Esq.
If to the Trustee:	U.S. Bank National Association One California Street, Suite 1000 San Francisco, CA 94111 Attention: Global Corporate Trust Services

13.2 This Agreement will inure to the benefit of and be binding upon the parties hereto and their permitted successors and assigns and will not confer any rights upon any other person.

13.3 This Agreement may not be assigned by the Issuer or the Borrower without the prior written consent of the Initial Purchaser and the Purchaser, which consent shall not be unreasonably withheld or delayed; provided, however, the Purchaser shall be given at least 30 days prior written notice of any such proposed assignment. This Agreement may be assigned by the Purchaser upon written notice of such assignment from the Purchaser to the Issuer, the Initial Purchaser and the Borrower.

13.4 This Agreement may not be amended without the prior written consent of the Issuer, the Initial Purchaser, the Borrower and the Purchaser.

13.5 The representations, covenants and agreements of the Issuer and the Borrower will not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of (a) any investigations made by or on behalf of the Purchaser (or statements as to the results of such investigations) concerning such representations, covenants and agreements and (b) delivery of and payment for the Bonds.

13.6 This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute but one and the same instrument.

13.7 This Agreement will become effective and binding upon the respective parties hereto upon the execution and delivery hereof by the parties hereto and will be valid and enforceable as of the time of such execution and delivery.

13.8 If any provision of this Agreement is held or deemed to be or is, in fact, inoperative, invalid or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provision of any constitution, statute, rule of public policy, or any other reason, such circumstances will not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

13.9 This Agreement will be governed by and construed in accordance with the laws of the State applicable to agreements to be performed wholly therein without regard to choice of law principles.

13.10 Except as provided in Section 11, the obligations of the Purchaser and Borrower hereunder shall be without recourse to any partner, shareholder, member, trustee, officer, employee, agent or manager of the Purchaser or Borrower and no shareholder, member, partner, trustee, officer, employee, agent or manager of the Purchaser or Borrower shall be personally liable for the payment of any obligation of the Purchaser or Borrower, as applicable, hereunder. In the event any legal actions or proceedings are brought in respect of such obligations, any judgment against the Purchaser or Borrower shall be enforced only against the assets of the Purchaser or Borrower, as applicable, and not against any property of any trustee, partner, shareholder, member, officer, employee or manager of the Purchaser or Borrower.

13.11 The Issuer and the Borrower each acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction among the Issuer, the Initial Purchaser, the Borrower, and the Purchaser and the Initial Purchaser, and the Purchaser have financial and other interests that differ from those of the Issuer and the Borrower, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Initial Purchaser and the Purchaser are and have been acting solely as principals and is not acting as the agent, advisor, or fiduciary of the Issuer or the Borrower, (iii) none of the Initial Purchaser or the Purchaser has assumed an advisory or fiduciary responsibility in favor of the Issuer or the Borrower

with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Initial Purchaser or the Purchaser has provided other services or is currently providing other services to the Issuer or the Borrower on other matters) and none of the Initial Purchaser or the Purchaser has an obligation to the Issuer or the Borrower with respect to the offering contemplated hereby except the obligations expressly set forth in this Agreement and (iv) the Issuer and the Borrower has consulted their own legal, financial and other advisors to the extent they deem appropriate.

13.12 The provisions set forth in Exhibit H attached hereto are incorporated herein by reference.

[Signature pages start on next page]

[Counterpart Signature Page to the 1500 Mission Street Apartments Bond Purchase Agreement]

If the foregoing accurately sets forth our mutual understanding concerning the subject matter hereof, kindly indicate your acceptance by executing this Agreement.

**HILLTOP SECURITIES INC.**

By: \_\_\_\_\_  
Mark A. McGruder, Managing Director

[Signatures continue on next page]

[Counterpart Signature Page to the 1500 Mission Street Apartments Bond Purchase Agreement]

**CITY AND COUNTY OF SAN FRANCISCO,  
CALIFORNIA, as Issuer**

By: \_\_\_\_\_

Kate Hartley  
Acting Director  
Mayor's Office of Housing  
and Community Development

Approved as to Form:

DENNIS J. HERRERA  
City Attorney

By: \_\_\_\_\_

Kenneth D. Roux  
Deputy City Attorney

[Signatures continue on next page]

[Counterpart Signature Page to the 1500 Mission Street Apartments Bond Purchase Agreement]

**DEUTSCHE BANK SECURITIES, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[Signatures continue on next page]

[Counterpart Signature Page to the 1500 Mission Street Apartments Bond Purchase Agreement]

**1500 MISSION URBAN HOUSING, LP,**  
a Delaware Limited Partnership

By: 1500 Mission Housing Partners GP LLC,  
a California limited liability company,  
its Managing General Partner

By: Turk Street, Inc.,  
a California nonprofit public benefit  
corporation, its Sole Member

By: \_\_\_\_\_  
Donald S. Falk  
Chief Executive Officer

By: 1500 Holdco, LLC,  
a Delaware limited liability company,  
its Administrative General Partner

By: \_\_\_\_\_  
Geno Canori  
[Executive] Vice President

SCHEDULE I

BOND DRAW-DOWN DATES AND AMOUNTS

## EXHIBIT A – GLOSSARY OF TERMS

“1933 Act” means the Securities Act of 1933, as amended.

“1934 Act” means the Securities Exchange Act of 1934, as amended.

“1939 Act” means the Trust Indenture Act of 1939, as amended.

“Act” means, collectively, the provisions of Section 9.107 of the Charter of the City, Article I of Chapter 43 of the San Francisco Administrative Code of the City and, to the extent applicable, Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code.

“Agreement” means this Bond Purchase Agreement, as amended from time to time.

“Bond Counsel” means Jones Hall, A Professional Law Corporation and Curlls Bartling P.C.

“Bonds” means the Issuer’s Multifamily Housing Revenue Bonds (1500 Mission Street Apartments) Series 2017E, issued and delivered in the original principal amount of \$[316,800,000].

“Borrower” means 1500 Mission Urban Housing, LP, a Delaware limited partnership, and its permitted successors and assigns under the Bond Documents to which it is a party.

“Borrower Documents” means this Agreement, the Loan Agreement, the Tax Certificate, the Deed of Trust, the Note, the Regulatory Agreement, and any other applicable agreements relating to the Project to which the Borrower is a party.

“Closing” means the proceeding on the Closing Date at which the Bonds are delivered to the Purchaser.

“Closing Date” means \_\_\_\_\_, 2017, the date on which the Closing takes place.

“Closing Documents” has the meaning ascribed to such term in Section 3 hereof.

“Code” means the Internal Revenue Code of 1986, as amended, together with all corresponding and applicable final or temporary regulations and revenue rulings issued or promulgated thereunder.

“Constitution” means the Constitution of the State.

“Deed of Trust” means that Construction Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, executed by the Borrower in favor of the Issuer, for the purpose of securing the obligations of the Issuer under the Loan Documents, as such deed of trust may be originally executed or as from time to time supplemented or amended.

“DTC” means The Depository Trust Company.

“Guarantor” means the party or parties making the Exceptions to Non-Recourse Guaranty dated \_\_\_\_\_, 2017 and the Completion Guaranty dated as of \_\_\_\_\_, 2017 in connection with the issuance of the Bonds.

“Indenture” means that certain Indenture of Trust dated as of November 1, 2017 between the Issuer and the Trustee.

“Indemnified Parties” means the Issuer, the Initial Purchaser, the Purchaser and each affiliate, member, officer, director, official, employee and agent of the Issuer, the Initial Purchaser, the Purchaser and each person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended.

“Initial Purchaser” means Hilltop Securities Inc., a corporation duly organized and validly existing under the laws of the State of Delaware, together with its successors, assigns or designees.

“Issuer” means the City and County of San Francisco, California, a municipal corporation duly organized and existing pursuant to its charter and the laws and constitution of the State of California.

“Issuer Documents” means, collectively, the Indenture, the Loan Agreement, the Regulatory Agreement, this Agreement and the Assignment of Deed of Trust and Loan Documents dated as of \_\_\_\_\_, 2017 executed by the Issuer.

“Legal Documents” means, collectively, the Borrower Documents and the Issuer Documents.

“Loan Agreement” means that certain Loan Agreement dated as of November 1, 2017 between the Issuer and the Borrower.

“Loan Documents” shall have the meaning ascribed to such term in the Indenture.

“Note” means that certain multifamily note from the Borrower relating to the Bonds and secured by the Mortgage.

“Partners” means all partners comprise the Borrower.

“Project” means 550 rental housing units (including at least one manager’s unit), 110 of which will be affordable to low and moderate income tenants, located at 1500 Mission Street, San Francisco, California 94103.

“Purchaser” means Deutsche Bank Securities, Inc., with its permitted successors and assigns hereunder.

“Regulatory Agreement” means that certain Regulatory Agreement and Declaration of Restrictive Covenants by and among the Issuer, the Trustee and the Borrower.

“Resolution” means the resolution or resolutions of the Issuer, authorizing, among other things, the execution and delivery by the Issuer of the Issuer Documents and the Bonds and the performance of its obligations thereunder.

“State” means the State of California.

“Trustee” means U.S. Bank National Association or its successors or any other corporation or association resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee under the Indenture.



EXHIBIT C – FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

*{Under Review.}*

[Letterhead of Bond Counsel]

\_\_\_\_\_, 2017

Hilltop Securities Inc.  
Dallas, Texas

\$[316,800,000]  
CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA  
MULTIFAMILY HOUSING REVENUE BONDS  
(1500 MISSION STREET APARTMENTS)  
SERIES 2017E

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

(1) The Bond Purchase Agreement dated \_\_\_\_\_, 2017 has been duly executed and delivered by, and constitutes the valid and binding agreement of, the Issuer enforceable in accordance with its terms.

(2) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

EXHIBIT D – POINTS TO BE COVERED IN OPINION OF COUNSEL TO THE  
ISSUER/CERTIFICATE OF ISSUER

*{Under Review.}*

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

(1) The Issuer is a municipal corporation duly organized and existing pursuant to its charter and the laws and constitution of the State of California.

(2) The Resolution 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.

(3) The Issuer Documents have been duly executed and delivered by the Issuer and (assuming due authorization, execution and delivery by and validity against the other parties thereto) are valid and binding agreements of the Issuer enforceable in accordance with their terms

(4) No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body has been served upon the Issuer and, to the best of my knowledge, is pending or is otherwise known to be threatened in any way affecting the existence of the Issuer, or the titles of the Issuer's officials to their respective offices, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds or the application of the proceeds thereof in accordance with the Indenture, or the collection or application of the Pledged Revenues (as defined in the Indenture) to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Issuer Documents or any action of the Issuer contemplated by any of said documents, or in any way contesting the powers of the Issuer or its authority with respect to the Issuer Documents or any action on the part of the Issuer contemplated by any of said documents, nor to my knowledge is there any basis therefor.

EXHIBIT E – FORM OF BORROWER’S CERTIFICATE

*{To Come.}*

EXHIBIT F – FORM OF BORROWER COUNSEL OPINION

*{To Come.}*

EXHIBIT G – POINTS TO BE COVERED IN THE OPINION OF TRUSTEE’S  
COUNSEL/TRUSTEE’S CERTIFICATE

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

(1) The Trustee is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America with trust powers.

(2) The Trustee has all requisite corporate and trust power, authority and legal right and has taken all necessary corporate action to: (i) execute and deliver the Indenture and to accept the trusts created under the Indenture and to perform its obligations thereunder, (ii) execute and deliver in its capacity as Trustee the Continuing Disclosure Agreement and the Contingency Draw-Down Agreement, as such documents are defined in the Indenture, (such documents, collectively, with the Indenture, the “Trustee Documents”) and perform the duties and obligations of the Trustee thereunder.

(3) The Trustee has duly authorized, executed and delivered the Trustee Documents. Assuming the due authorization, execution and delivery thereof by the other parties thereto, the Trustee Documents are the legal, valid and binding agreements of the Trustee, enforceable in accordance with their terms against the Trustee.

(4) No authorization, approval, consent, or other order of any governmental agency or regulatory authority having jurisdiction over the Trustee that has not been obtained is required for the authorization, execution and delivery by the Trustee of the Trustee Documents.

(5) There is no litigation pending or, to our knowledge, threatened against the Trustee to restrain the Trustee’s participation in, or in any way contesting or affecting the creation, organization or existence of the Trustee or the power of the Trustee with respect to the transactions contemplated by the Trustee Documents.

(6) The execution and delivery of the Trustee Documents by the Trustee, and compliance with the provisions thereof will not contravene the Articles of Association or Bylaws of the Trustee or any law or regulation governing the banking and trust powers of the Trustee or, to our knowledge, any indenture, mortgage, deed of trust, resolution, note agreement or other agreement or instrument to which the Trustee is a party or by which the Trustee is bound.

EXHIBIT H – CITY AND COUNTY OF SAN FRANCISCO  
MANDATORY CONTRACTING PROVISIONS

The following provisions shall apply to the Purchase Contract as if set forth in the text thereof. Capitalized terms used but not defined in this Appendix shall have the meanings given in the Purchase Contract.

1. Nondiscrimination; Penalties.

(a) *Non Discrimination in Contracts.* The Initial Purchaser shall comply with the provisions of Chapters 12B and 12C of the San Francisco Administrative Code. The Initial Purchaser shall incorporate by reference in any subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require any subcontractors to comply with such provisions. The Initial Purchaser is subject to the enforcement and penalty provisions in Chapters 12B and 12C.

(b) *Nondiscrimination in the Provision of Employee Benefits. San Francisco Administrative Code 12B.2.* The Initial Purchaser does not as of the date of this Purchase Contract, and will not during the term of this Purchase Contract, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of employee benefits between employees with domestic partners and employees with spouses and/or between the domestic partners and spouses of such employees, subject to the conditions set forth in San Francisco Administrative Code Section 12B.2.

(c) *Condition to Contract.* As a condition to the Purchase Contract, the Initial Purchaser 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.

2. MacBride Principles—Northern Ireland. The provisions of San Francisco Administrative Code §12F are incorporated by this reference and made part of this Purchase Contract. By entering into this Purchase Contract, the Initial Purchaser confirms that it has read and understood that the City urges companies doing business in Northern Ireland to resolve employment inequities and to abide by the MacBride Principles, and urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

3. Tropical Hardwood and Virgin Redwood Ban. Under San Francisco Environment Code Section 804(b), the City urges the Initial Purchaser 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. Alcohol and Drug-Free Workplace. The City reserves the right to deny access to, or require the Initial Purchaser to remove from, City facilities personnel of such Initial Purchaser who the Commission has reasonable grounds to believe has engaged in alcohol abuse or illegal drug activity which in any way impairs the City’s ability to maintain safe work facilities or to protect the health and well-being of City employees and the general public. The Commission shall have the right of final approval for the entry or re-entry of any such person previously denied access to, or removed from, City facilities. Illegal drug activity means possessing, furnishing, selling, offering, purchasing, using or being under the influence of illegal drugs or other controlled substances for which the individual lacks a valid prescription. Alcohol abuse means possessing, furnishing, selling, offering, or using alcoholic beverages, or being under the influence of alcohol.

5. Compliance with Americans with Disabilities Act. The Initial Purchaser shall provide the services specified in the Purchase Contract in a manner that complies with the Americans with Disabilities Act (ADA), including but not limited to Title II's program access requirements, and all other applicable federal, state and local disability rights legislation.

6. Sunshine Ordinance. The Initial Purchaser acknowledges that this Purchase Contract and all records related to its formation, such Initial Purchaser's performance of services provided under the Purchase Contract, and the City's payment are subject to the California Public Records Act, (California Government Code §6250 et. seq.), and the San Francisco Sunshine Ordinance, (San Francisco Administrative Code Chapter 67). Such records are subject to public inspection and copying unless exempt from disclosure under federal, state or local law.

7. Limitations on Contributions. By executing this Purchase Contract, The Initial Purchaser acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. The prohibition on contributions applies to each prospective party to the contract; each member of the Initial Purchaser's board of directors; the Initial Purchaser's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in such Initial Purchaser; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by such Initial Purchaser. The Initial Purchaser must inform each such person of the limitation on contributions imposed by Section 1.126 and provide the names of the persons required to be informed to City.

8. Requiring Minimum Compensation for Covered Employees. The Initial Purchaser shall pay covered employees no less than the minimum compensation required by San Francisco Administrative Code Chapter 12P. The Initial Purchaser is subject to the enforcement and penalty provisions in Chapter 12P. By entering into this Purchase Contract, the Initial Purchaser certifies that it is in compliance with Chapter 12P.

9. Requiring Health Benefits for Covered Employees. The Initial Purchaser shall comply with San Francisco Administrative Code Chapter 12Q. The Initial Purchaser shall choose and perform one of the Health Care Accountability options set forth in San Francisco Administrative Code Chapter 12Q.3. The Initial Purchaser is subject to the enforcement and penalty provisions in Chapter 12Q.

10. Prohibition on Political Activity with City Funds. In performing the services provided under the Purchase Contract, the Initial Purchaser shall comply with San Francisco Administrative Code Chapter 12G, which prohibits funds appropriated by the City for this Purchase Contract from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure. The Initial Purchaser is subject to the enforcement and penalty provisions in Chapter 12G.

11. Nondisclosure of Private, Proprietary or Confidential Information. If this Purchase Contract requires the City to disclose "Private Information" to a Initial Purchaser within the meaning of San Francisco Administrative Code Chapter 12M, the Bond Initial Purchaser shall use such information consistent with the restrictions stated in Chapter 12M and in this Purchase Contract and only as necessary

in performing the services provided under the Purchase Contract. The Initial Purchaser is subject to the enforcement and penalty provisions in Chapter 12M.

In the performance of services provided under the Purchase Contract, the Initial Purchaser may have access to the City's proprietary or confidential information, the disclosure of which to third parties may damage the City. If the City discloses proprietary or confidential information to a Initial Purchaser, such information must be held by such Bond Initial Purchaser in confidence and used only in performing the Purchase Contract. The Initial Purchaser shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary or confidential information.

12. Consideration of Criminal History in Hiring and Employment Decisions. The Initial Purchaser agrees to comply fully with and be bound by all of the provisions of Chapter 12T, "City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions," of the San Francisco Administrative Code ("Chapter 12T"), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of this Purchase Contract. The text of Chapter 12T is available on the web at <http://sfgov.org/olse/fco>. A partial listing of some of the Initial Purchaser's obligations under Chapter 12T is set forth in this Section. The Initial Purchaser is required to comply with all of the applicable provisions of Chapter 12T, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Purchase Contract shall have the meanings assigned to such terms in Chapter 12T.

The requirements of Chapter 12T shall only apply to the Initial Purchaser's operations to the extent those operations are in furtherance of the performance of this Purchase Contract, shall apply only to applicants and employees who would be or are performing work in furtherance of this Purchase Contract, and shall apply when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco. Chapter 12T shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

13. Submitting False Claims; Monetary Penalties. The full text of San Francisco Administrative Code §§ 21.35, including the enforcement and penalty provisions, is incorporated into this Purchase Contract. Under San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

14. Conflict of Interest. By entering into the Purchase Contract, the Initial Purchaser certifies that it does not know of any fact which constitutes a violation of Section 15.103 of the City's Charter; Article III, Chapter 2 of City's Campaign and Governmental Conduct Code; Title 9, Chapter 7 of the California Government Code (Section 87100 et seq.), or Title 1, Division 4, Chapter 1, Article 4 of the California Government Code (Section 1090 et seq.), and further agrees promptly to notify the City if it becomes aware of any such fact during the term of this Purchase Contract.

15. Assignment. The services provided under the Purchase Contract to be performed by the Initial Purchaser are personal in character and neither this Purchase Contract nor any duties or obligations may be assigned or delegated by a Initial Purchaser unless first approved by the City by written instrument executed and approved in the same manner as this Purchase Contract. Any purported assignment made in violation of this provision shall be null and void.

16. Food Service Waste Reduction Requirements. The Initial Purchaser shall comply with the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including but not limited to the provided remedies for noncompliance.

17. Cooperative Drafting. This Purchase Contract has been drafted through a cooperative effort of the City and the Initial Purchaser, and all parties have had an opportunity to have the Purchase Contract reviewed and revised by legal counsel. No party shall be considered the drafter of this Purchase Contract, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Purchase Contract.

18. Laws Incorporated by Reference. The full text of the laws listed in this Appendix G, including enforcement and penalty provisions, are incorporated into this Purchase Contract by reference. The full text of the San Francisco Municipal Code provisions incorporated by reference in this Appendix G are available at [www.sfgov.org](http://www.sfgov.org) under "Open Gov."

19. Sugar-Sweetened Beverage Prohibition. The Initial Purchaser agrees that it will not sell, provide, or otherwise distribute Sugar-Sweetened Beverages, as defined by San Francisco Administrative Code Chapter 101, as part of its performance of this Purchase Contract.