

NEW ISSUE – BOOK ENTRY ONLY

In the separate opinions of Jones Hall, a Professional Law Corporation, San Francisco, California, and Curls Bartling P.C., Oakland, California, Co-Bond Counsel, subject, however, to certain qualifications described herein, under existing law, the interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes, except during any period while a Tax-Exempt Bond is held by a "substantial user" of the facilities financed by the Tax-Exempt Bonds or by a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, and interest on the Tax-Exempt Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and is not included in adjusted current earnings of corporations for purposes of the alternative minimum tax. In the further opinion of Co-Bond Counsel, interest on the Bonds is, under existing law, exempt from personal income taxation imposed by the State of California. See "TAX MATTERS" herein.

**CITY AND COUNTY OF SAN FRANCISCO
VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS
(TRANSBAY BLOCK 8 TOWER APARTMENTS)
2016 SERIES H**

\$ _____
2016 Series H-1
CUSIP*: _____

\$ _____
2016 Series H-2
CUSIP*: _____

\$ _____
2016 Series H-3
(Taxable)
CUSIP*: _____

\$ _____
2016 Series H-4
(Taxable)
CUSIP*: _____

Dated: Date of Delivery**Price: 100%****Due: _____ 1, 20__**

The City and County of San Francisco Variable Rate Demand Multifamily Housing Revenue Bonds (Transbay Block 8 Tower Apartments) 2016 Series H-1 (the "2016H-1 Bonds"), 2016 Series H-2 (the "2016H-2 Bonds," and together with the 2016H-1 Bonds, the "Tax-Exempt Bonds"), 2016 Series H-3 (Taxable) (the "2016H-3 Bonds"), and 2016 Series H-4 (Taxable) (the "2016H-4 Bonds," and together with the 2016H-3 Bonds, the "Taxable Bonds"; the Tax-Exempt Bonds and the Taxable Bonds are collectively referred to herein as the "Bonds") are being issued by the City and County of San Francisco (the "City"). The Bonds are being issued by the City pursuant to an Indenture of Trust, dated as of November 1, 2016 (the "Indenture"), between the City and U.S. Bank National Association, as trustee (the "Trustee"). The proceeds of the Bonds will be loaned (the "Mortgage Loan") to T8 Urban Housing Associates, LLC and T8 Urban Condo Owner, LLC (jointly and severally, the "Borrower"), pursuant to a Loan Agreement, dated as of November 1, 2016 (the "Loan Agreement"), between the City and the Borrower. The Mortgage Loan will provide financing for an "80/20" multifamily rental housing development containing 350 residential units constituting a portion of a 55-story residential tower to be located at 450 Folsom Street, San Francisco, California (as further described under "THE PROJECT, THE PLAN OF FINANCE AND THE BORROWER" herein, the "Project"), and to pay costs of issuing and providing credit enhancement to the Bonds. The Borrower will execute the Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing (the "Deed of Trust") over the 55-story residential tower to be located at 450 Folsom Street, San Francisco, California (such property hereinafter referred to as the "Joint Collateral"), as grantor for the benefit of, among others, the Trustee as beneficiary and secured party, to secure the obligations of the Borrower to the Trustee under the Loan Agreement. See "SECURITY FOR THE BONDS – Deed of Trust and Intercreditor Agreement."

The Bonds initially will bear interest at a Weekly Rate. The Weekly Rate for the 2016H-1 Bonds and the 2016H-3 Bonds will be determined initially by Citigroup Global Markets Inc., which will serve as the Underwriter of and Remarketing Agent for the 2016H-1 Bonds and the 2016H-3 Bonds. The Weekly Rate for the 2016H-2 Bonds and the 2016H-4 Bonds will be determined initially by Goldman, Sachs & Co., which will serve as the Underwriter of and Remarketing Agent for the 2016H-2 Bonds and the 2016H-4 Bonds. Interest on the Bonds will be payable on the first Business Day of each month, commencing _____, 2016. The Bonds are subject to Conversion to other interest rate modes and are subject to mandatory tender for purchase upon Conversion, all as described herein. The Bonds are subject to acceleration of maturity, optional and mandatory redemption, and optional and mandatory tender, at the prices and under the circumstances described herein.

The Bonds will be issued as fully registered bonds, initially in Authorized Denominations of \$100,000 or multiples of \$5,000 in excess thereof. The Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as initial securities depository for the Bonds. The principal and Purchase Price of and interest on the Bonds will be paid to DTC, which in turn is required to remit such principal, Purchase Price or interest to participants in DTC for subsequent disbursement to the beneficial owners of the Bonds. DTC acts as agent solely for its participants and not for the beneficial owners of the Bonds, the City or the Underwriters.

The Bonds will be special, limited obligations of the City payable solely from, and secured by a lien on, the Revenues (as defined under the Indenture). Pursuant to the Indenture, the City will assign the Revenues and certain specified rights and amounts to the Trustee. The Revenues will consist primarily of amounts to be drawn by the Trustee under an irrevocable direct pay letter of credit (the "Letter of Credit") to be issued by Bank of China, New York Branch (the "Bank").

* Copyright 2016, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by S&P Capital IQ. This information is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the City or the Underwriters and are included solely for the convenience of the registered owners of the Bonds. Neither the City nor the Underwriters are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness.

[BANK LOGO]

Unless extended in accordance with its terms, the Letter of Credit will terminate automatically on the earliest to occur of _____, 2020, or certain other events described therein. The form of the Letter of Credit is attached hereto as Appendix B. The Letter of Credit may be replaced with a Substitute Letter of Credit or an Alternate Credit Facility on certain conditions described herein. The Bonds are subject to mandatory tender if the expiration date of the Letter of Credit is not extended or a Substitute Letter of Credit or Alternate Credit Facility is provided as described herein.

The principal purpose of this Official Statement is to provide certain information on the terms of the Bonds, the Letter of Credit supporting the Bonds and the Bank. No financial or operating data with respect to the Borrower has been included in this Official Statement. Investors should make any decision with respect to the purchase, holding or tender of the Bonds based solely upon the credit of the Bank. The ratings assigned to the Bonds are based on the creditworthiness of the Bank. See "RATINGS" herein. Prospective purchasers of the Bonds are advised to make a full evaluation of the financial status of the Bank by reviewing the financial statements of the Bank described herein.

This Official Statement provides certain information concerning the Bonds only while the Bonds bear interest at the Daily Rate or the Weekly Rate. Owners and prospective purchasers of Bonds should not rely on this Official Statement for information concerning their Bonds on and after the Conversion of the Bonds to a mode other than the Daily Rate mode or the Weekly Rate mode, but should look to information concerning their Bonds made available in connection with the remarketing of the Bonds related to such Conversion.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security for or the terms of the Bonds. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

THE BONDS ARE LIMITED OBLIGATIONS OF THE CITY, PAYABLE SOLELY FROM THE REVENUES (AS DEFINED IN THE INDENTURE AND CONSISTING PRIMARILY OF AMOUNTS DRAWN UNDER THE LETTER OF CREDIT), THE TRUST ESTATE AND OTHER FUNDS AND MONEYS PLEDGED AND ASSIGNED UNDER THE INDENTURE. NONE OF THE CITY (EXCEPT TO THE LIMITED EXTENT CERTAIN PAYMENTS AND RIGHTS HAVE BEEN ASSIGNED BY THE CITY UNDER THE INDENTURE), THE STATE OF CALIFORNIA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF NOR ANY PUBLIC AGENCY SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OR PURCHASE PRICE OF, OR PREMIUM (IF ANY) OR INTEREST ON, THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER, AND NONE OF THE BONDS OR ANY OF THE CITY'S AGREEMENTS OR OBLIGATIONS WITH RESPECT THERETO SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE CITY, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, PURCHASE PRICE OF OR INTEREST ON THE BONDS, NOR IS THE STATE, THE CITY, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE, IN ANY MANNER OBLIGATED TO MAKE ANY APPROPRIATION FOR SUCH PAYMENT.

The Bonds are offered when, as and if issued and received by the purchasers thereof, and subject to the separate opinions of Jones Hall, A Professional Law Corporation, San Francisco, California, and Curls Bartling P.C., Oakland, California, Co-Bond Counsel, as to the validity of the Bonds and tax-exempt status of the Tax-Exempt Bonds, and the approval of certain other matters for the City. Certain legal matters will be passed upon by Hawkins Delafield & Wood LLP, San Francisco, California, Disclosure Counsel to the City. Certain legal matters will be passed upon by Eichner & Norris PLLC, Washington, D.C., Counsel to the Underwriters, by Levitt & Boccio, LLP, New York, New York and Bocarsly Emden Cowan Esmail & Arndt LLP, Los Angeles, California, Co-Counsel to the Borrower, and by Troutman Sanders LLP, New York, New York, Counsel to the Bank. It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company on or about _____, 2016.

Citigroup

*Underwriter of and Remarketing Agent for the
2016H-1 Bonds and the 2016H-3 Bonds*

Goldman, Sachs & Co.

*Underwriter of and Remarketing Agent for the
2016H-2 Bonds and the 2016H-4 Bonds*

_____, 2016

The information in this Official Statement set forth under the heading “THE CITY AND COUNTY OF SAN FRANCISCO” and “ABSENCE OF MATERIAL LITIGATION – The City” has been furnished by the City. The information set forth under the headings “SUMMARY OF CERTAIN PROVISIONS OF THE LETTER OF CREDIT AGREEMENT,” “THE BANK” and Appendix B has been furnished by the Bank. The information set forth under the heading “THE TRUSTEE” has been furnished by the Trustee. The information under the heading “UNDERWRITING” has been furnished by the Underwriters. The information set forth in Appendix C has been furnished by DTC. All other information in this Official Statement has been obtained from the Borrower or sources that the Borrower believes to be reliable.

No dealer, broker, salesperson, or other person has been authorized by the City or either Underwriter to give any information or to make any representations other than those made herein. Any such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinions herein are subject to change without notice, and neither the delivery of this Official Statement nor the sale of any of the Bonds shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.

Each Underwriter has provided the following sentence for inclusion in this Official Statement. Each Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but neither Underwriter guarantees the accuracy or completeness of such information.

The Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any state securities commission has passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is unlawful.

All inquiries relating to this Official Statement and the offerings contemplated herein should be directed to the respective Underwriter. Prospective investors may obtain additional information from each Underwriter which they may reasonably require in connection with the decision to purchase any of the Bonds from the Underwriter.

The price at which the Bonds are offered to the public may vary from the initial reoffering price on the cover of this Official Statement. In addition, each Underwriter may allow concessions or discounts from the initial offering price of the Bonds offered by it to dealers and others. In connection with the offering of the Bonds, each Underwriter may effect transactions that stabilize or maintain the market price of the Bonds underwritten by it at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

TABLE OF CONTENTS

	Page
INTRODUCTION	1
THE BONDS	4
SECURITY FOR THE BONDS	15
ESTIMATED SOURCES AND USES.....	20
SUMMARY OF CERTAIN PROVISIONS OF THE LETTER OF CREDIT AGREEMENT	20
THE BANK	25
THE CITY AND COUNTY OF SAN FRANCISCO.....	27
THE TRUSTEE	27
THE PROJECT, THE PLAN OF FINANCE AND THE BORROWER	28
CERTAIN BONDOWNERS' RISKS	31
TAX MATTERS.....	33
UNDERWRITING	34
RATINGS	35
ABSENCE OF MATERIAL LITIGATION.....	36
CERTAIN LEGAL MATTERS.....	36
CONTINUING DISCLOSURE.....	37
MISCELLANEOUS	37
APPENDIX A	DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL DOCUMENTS
APPENDIX B	FORM OF LETTER OF CREDIT
APPENDIX C	BOOK-ENTRY SYSTEM
APPENDIX D	FORM OF OPINION OF BOND COUNSEL
APPENDIX E	FORM OF TENDER NOTICE
APPENDIX F	FORM OF CONTINUING DISCLOSURE AGREEMENT

OFFICIAL STATEMENT

CITY AND COUNTY OF SAN FRANCISCO
VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS
(TRANSBAY BLOCK 8 TOWER APARTMENTS)
2016 SERIES H

\$ _____
2016 Series H-1

\$ _____
2016 Series H-2

\$ _____
2016 Series H-3
(Taxable)

\$ _____
2016 Series H-4
(Taxable)

INTRODUCTION

The following introductory statement is subject in all respects to more complete information contained elsewhere in this Official Statement. The order and placement of materials in this Official Statement, which includes the cover page and appendices hereto, are not to be deemed to be a determination of relevance, materiality or relative importance, and this Official Statement, including the cover page and appendices hereto, must be considered in its entirety. Certain capitalized terms used in this Official Statement are defined herein and in the appendices hereto. All capitalized terms used in this Official Statement that are not otherwise defined herein shall have the meanings ascribed to them in the Indenture, the Loan Agreement, the Regulatory Agreement, the Reimbursement Agreement, the Letter of Credit, the Deed of Trust and the Intercreditor Agreement (as each such term is hereinafter defined).

This Official Statement, including the cover and the attached appendices, sets forth certain information in connection with the sale by the City and County of San Francisco (the “City”) of the City and County of San Francisco Variable Rate Demand Multifamily Housing Revenue Bonds (Transbay Block 8 Tower Apartments) 2016 Series H-1 (the “2016H-1 Bonds”), 2016 Series H-2 (the “2016H-2 Bonds,” and together with the 2016H-1 Bonds, the “Tax-Exempt Bonds”), 2016 Series H-3 (Taxable) (the “2016H-3 Bonds”), and 2016 Series H-4 (Taxable) (the “2016H-4 Bonds,” and together with the 2016H-3 Bonds, the “Taxable Bonds”; the Tax-Exempt Bonds and the Taxable Bonds are collectively referred to herein as the “Bonds”).

The principal purpose of this Official Statement is to provide certain information on the terms of the Bonds, the irrevocable direct pay letter of credit (the “Letter of Credit”) supporting the Bonds, and Bank of China, New York Branch (the “Bank”), as the issuer of the Letter of Credit. No financial or operating data with respect to the Borrower has been included in this Official Statement. Investors should make any decision with respect to the purchase, holding or tender of the Bonds based solely upon the credit of the Bank. The ratings assigned to the Bonds are based on the creditworthiness of the Bank. See “RATINGS” herein. Prospective purchasers of the Bonds are advised to make a full evaluation of the financial status of the Bank by reviewing the financial statements of the Bank described herein.

The Bonds will be issued pursuant to the Charter of the City, Article 1 of Chapter 43 of the Administrative Code of the City and County of San Francisco Municipal Code, and Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, as it may from time to time hereafter be amended or supplemented (collectively, the “Act”). The issuance of the Bonds has been authorized by Resolution

No. _____ adopted by the Board of Supervisors of the City on _____, 2016, and duly approved by the Mayor of the City on _____, 2016.

The Bonds are being issued pursuant to an Indenture of Trust, dated as of November 1, 2016 (the “Indenture”), between the City and U.S. Bank National Association, as trustee (the “Trustee”). The proceeds of the Bonds will be loaned (the “Mortgage Loan”) by the City, jointly and severally, to T8 Urban Housing Associates, LLC and T8 Urban Condo Owner, LLC (jointly and severally, the “Borrower”), pursuant to a Loan Agreement, dated as of November 1, 2016 (the “Loan Agreement”), among the City, the Borrower and the Trustee, to provide financing for an “80/20” multifamily rental housing development containing 350 residential units constituting a portion of a 55-story residential tower to be located at 450 Folsom Street, San Francisco, California (as further described under “THE PROJECT, THE PLAN OF FINANCE AND THE BORROWER” herein, the “Project”), and to pay costs of issuing and providing credit enhancement to the Bonds. The Borrower’s obligations under the Loan Agreement are evidenced by a note (the “Mortgage Note”).

Concurrently with and as a condition to the issuance of the Bonds, the Borrower will cause to be delivered to the Trustee the Letter of Credit issued by the Bank pursuant to a Letter of Credit Reimbursement and Security Agreement, dated as of November 1, 2016 (the “Reimbursement Agreement”), between the Bank and the Borrower. Unless extended in accordance with its terms, the Letter of Credit will terminate automatically on the earliest to occur of the date set forth on the cover hereof, or certain other events described therein. The form of the Letter of Credit is attached hereto as Appendix B. See also “SUMMARY OF CERTAIN PROVISIONS OF THE LETTER OF CREDIT AGREEMENT” herein. The Letter of Credit may, in certain circumstances, be replaced by another letter of credit (a “Substitute Letter of Credit”) or another credit facility (an “Alternate Credit Facility”). See “The Indenture” in Appendix A hereto for a description of the conditions to and procedures for providing a Substitute Letter of Credit or Alternate Credit Facility.

To further secure and support the Bonds, the Borrower will execute a Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing (the “Deed of Trust”) over the 55-story residential tower to be located at 450 Folsom Street, San Francisco, California (such property hereinafter referred to as the “Joint Collateral”), as grantor, for the benefit of Wells Fargo Bank, National Association, in its capacity as Conventional Lender (as described below) and as collateral agent (the “Collateral Agent”) for the Bank and the Trustee as co-beneficiaries, assignees and secured parties, to secure the Borrower’s obligations (i) to the Bank under the Reimbursement Agreement, (ii) to the Trustee under the Loan Agreement, and (iii) to Wells Fargo Bank, National Association (the “Conventional Lender”), as lender under that certain Construction Loan Agreement, dated as of November 1, 2016 (the “Construction Loan Agreement”), between the Borrower and the Conventional Lender. See “SECURITY FOR THE BONDS – Deed of Trust and Intercreditor Agreement.”

The Trustee and the Conventional Lender will also enter into a Bond Intercreditor Agreement, dated as of November 1, 2016 (the “Intercreditor Agreement”), for the purpose of addressing, among other matters, the intercreditor relationship between the Trustee and the Conventional Lender in the event of a Wrongful Dishonor (as hereinafter described) with respect to the Letter of Credit. See “SECURITY FOR THE BONDS – Deed of Trust and Intercreditor Agreement.”

The Borrower is required to operate the Project in compliance with a regulatory agreement (the “Regulatory Agreement”). The Regulatory Agreement contains certain representations, warranties and covenants concerning the operation of the Project. Under the Regulatory Agreement, the Borrower is required, among other things, to cause a portion of the completed residential units in the Project to be occupied by individuals whose income does not exceed certain limits specified in the Regulatory

Agreement, as further described in the Regulatory Agreement. A failure to comply with certain of these requirements could result in the loss of the federal tax exemption on the Tax-Exempt Bonds retroactive to Bond Closing. See “TAX MATTERS” and “THE PROJECT, THE PLAN OF FINANCE AND THE BORROWER – The Regulatory Agreement” herein and “The Regulatory Agreement” in Appendix A hereto.

Pursuant to two separate Remarketing Agreements, each dated as of November 1, 2016 (each, a “Remarketing Agreement” and together, the “Remarketing Agreements”), between the Borrower and each of the Underwriters acting as the initial Remarketing Agents, each Remarketing Agent has agreed to use its best efforts to remarket the two subseries of Bonds for which it is serving as Underwriter which the Bondholders thereof have tendered for purchase or are required to tender for purchase pursuant to the Indenture. See “THE BONDS – Remarketing Agents.”

THE BONDS ARE LIMITED OBLIGATIONS OF THE CITY, PAYABLE SOLELY FROM THE REVENUES (AS DEFINED IN THE INDENTURE AND CONSISTING PRIMARILY OF AMOUNTS DRAWN UNDER THE LETTER OF CREDIT), THE TRUST ESTATE AND OTHER FUNDS AND MONEYS PLEDGED AND ASSIGNED UNDER THE INDENTURE. NONE OF THE CITY (EXCEPT TO THE LIMITED EXTENT CERTAIN PAYMENTS AND RIGHTS HAVE BEEN ASSIGNED BY THE CITY UNDER THE INDENTURE), THE STATE OF CALIFORNIA (THE “STATE”) OR ANY POLITICAL SUBDIVISION THEREOF NOR ANY PUBLIC AGENCY SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OR PURCHASE PRICE OF, OR PREMIUM (IF ANY) OR INTEREST ON, THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER, AND NONE OF THE BONDS OR ANY OF THE CITY’S AGREEMENTS OR OBLIGATIONS WITH RESPECT THERETO SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE CITY, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, PURCHASE PRICE OF OR INTEREST ON THE BONDS, NOR IS THE STATE, THE CITY, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE, IN ANY MANNER OBLIGATED TO MAKE ANY APPROPRIATION FOR SUCH PAYMENT.

Included in this Official Statement is information concerning the City, the Letter of Credit, the Bank, the Borrower, the Project, DTC, the Trustee and the sources of payment for the Bonds, together with summaries of the terms of the Bonds and certain provisions of the Indenture, the Letter of Credit, the Reimbursement Agreement, the Loan Agreement, the Regulatory Agreement, the Deed of Trust, the Intercreditor Agreement, and certain documents related thereto. All references herein to agreements or documents are qualified in their entirety by references to the definitive forms thereof, copies of which are available for inspection at the corporate trust office of the Trustee at One California Street, Suite 1000, San Francisco, California 94111.

This Official Statement provides certain information concerning the Bonds only while the Bonds bear interest at the Daily Rate or the Weekly Rate. Owners and prospective purchasers of Bonds should not rely on this Official Statement for information concerning their Bonds on and after the Conversion of the Bonds to a mode other than the Daily Rate mode or the Weekly Rate mode, but should look to information concerning their Bonds made available in connection with the remarketing of the Bonds related to such Conversion.

THE BONDS

General Description of the Bonds

The Bonds will be issued in Authorized Denominations of \$100,000 or multiples of \$5,000 in excess thereof. The Bonds will be dated the date of their initial issuance and delivery and will mature on the maturity date specified on the cover hereof. The Bonds will bear interest payable on the first Business Day of each month, commencing _____, 2016, and on certain other dates as provided in the Indenture (each, an "Interest Payment Date") at the rate per annum determined from time to time as provided in the Indenture. Each Bond will bear interest from the date to which interest has been paid next preceding the date of its registration unless (i) a Bond is registered as of an Interest Payment Date for which interest has been paid or after the Record Date with respect to an Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (ii) a Bond is registered on or before the Record Date for the first Interest Payment Date, in which event it will bear interest from the date of the first authentication and delivery of the Bonds.

The Bonds will be issued in fully registered form only and, when initially issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive physical certificates representing their beneficial ownership interests in the Bonds purchased. Payments of principal, premium, if any, interest on and Purchase Price of the Bonds will be paid by the Trustee to DTC, which is obligated in turn to remit such principal, premium, if any, interest or Purchase Price to its DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. See Appendix C herein.

Determination of Interest Rate

The initial interest rate determination method in effect with respect to each subseries of the Bonds will be a Weekly Rate. During any Weekly Rate Period or Daily Rate Period, interest on the related subseries of Bonds will be computed on the basis of a 365- or 366-day year for the actual number of days elapsed. Bonds must be in book-entry form in order to bear interest at Daily Rates. Each subseries of Bonds may bear interest at a different mode from the other subseries of Bonds; provided, however, that Bonds within each subseries will bear interest at the same mode.

Unless the interest rate on the Bonds is converted to an Alternate Rate after notice to the Bondholders in accordance with the Indenture, the Bonds will continue to bear interest at the interest rate determination method then in effect.

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

Daily Rate. The Remarketing Agent will determine the Daily Rate by 10:00 am, New York City time, on each Business Day. Each Daily Rate will be the minimum rate of interest that, in the opinion of the Remarketing Agent, would be necessary to sell the Bonds on such date in a secondary market transaction at a price equal to the principal amount thereof plus accrued interest, if any; provided, however, that the rate so determined will not exceed the Maximum Interest Rate. The Daily Rate for any date that is not a Business Day will be the rate established for the next preceding Business Day. The Daily Rate for any date on which the Remarketing Agent fails to set a Daily Rate will equal the SIFMA Swap Index then in effect; provided, that if the SIFMA Swap Index is not then in effect, the Daily Rate will be the rate established for the next preceding Business Day. Notwithstanding anything else in the Indenture to the contrary, the Daily Rate for a particular subseries will be the Maximum Rate commencing on the Business Day following any day on which the Bank has failed to honor a properly presented draw on the Letter of Credit for such subseries for so long as such failure continues; the Remarketing Agent will not set rates in this circumstance.

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

Conversion to Alternate Rate

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

To effect Conversion, the Borrower will deliver a written notice to the Trustee, the City, the Remarketing Agent, and the Credit Provider electing to have the interest rate on the Bonds converted, and specifying the Conversion Date, which will be not less than 35 calendar days after such notice is received by such parties for conversion. Notice of a Conversion must be accompanied by (A) except in the case of a Conversion from one Flexible Rate to another Flexible Rate, a form of opinion of Bond Counsel, addressed to the City, Trustee and the Remarketing Agent, to the effect that Conversion in accordance with the provisions of the Indenture will not adversely affect the exemption from federal income taxation of interest on the Tax-Exempt Bonds, (B) upon Conversion to a Variable Rate, written approval of the Conversion by a Substitute Bank accompanied by an irrevocable commitment for the issuance of a Substitute Letter of Credit, satisfying the requirements of the Indenture, to be in effect upon and after Conversion, which commitment states that the Substitute Letter of Credit will be in the Coverage Amount, together with accompanying documentation required by the Indenture; (C) upon Conversion to the Daily Rate, written concurrence of the Remarketing Agent that such a Conversion to the Daily Rate would not jeopardize the remarketing of the Bonds; (D) upon Conversion to a Fixed Rate or a Term Rate, an opinion of Bond Counsel to the effect that the provisions of the Loan Agreement regarding continuing disclosure have been met; (E) a certification that the requirements described under the subheading “– Certain Restrictions on Transfer and Remarketing” will be satisfied upon Conversion; and (F) a check or wire transfer to the Trustee in the amount, if any, estimated by the Remarketing Agent, to pay all costs

associated with the Conversion (excluding underwriter costs and fees to remarket Bonds but including the costs and applicable fees of the Trustee and the City). The Remarketing Agent will specify the Determination Date on which a Term Rate or the Fixed Rate will be determined by the Remarketing Agent. The Trustee will notify DTC of any Conversion among Variable Rate Modes or the Flexible Rate Mode no later than 15 days prior to the anticipated Conversion. Bonds must be in book-entry form in order to bear interest at Daily Rates or Flexible Rates.

Payments Due on Other Than Business Days

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

Certain Restrictions on Transfer and Remarketing

[Under the Indenture, a remarketing of any Bond in connection with a mandatory tender for purchase in connection with a Conversion, a substitution of the Letter of Credit, the delivery of an Alternate Credit Facility, or the termination or expiration of a Credit Facility will be null and void unless the Bond to be remarketed satisfies the requirements of subsection (a), (b) or (c) below:

- (a) Upon remarketing, the credit-enhanced or unenhanced long-term rating assigned by the Rating Agency to the Bond would be equal to or higher than “A,” “A2” or equivalent, and, for Variable Rate Bonds and Flexible Rate Bonds, the credit-enhanced or unenhanced short-term rating assigned to the Bond would be in the highest rating category of such Rating Agency.
- (b) All of the Outstanding Bonds are being remarketed to a single Beneficial Owner and the new Beneficial Owner of the Bonds would be an Approved Transferee that has delivered to the City and the Trustee a Required Transferee Representations certificate.
- (c) The written consent of the City to such remarketing is obtained.

The Indenture provides that any Bond that is not secured by a Credit Facility satisfying the requirements of the Indenture will not be transferred to a new Beneficial Owner unless all of the Outstanding Bonds are being simultaneously transferred to such new Beneficial Owner.]

Mandatory Tender on Conversion

The Bonds are subject to mandatory tender for purchase on each Conversion Date. The Trustee will give notice of the Conversion Date to the Registered Owners of the Bonds, in the same manner that notices of redemption are given, not less than 10 calendar days prior to the Conversion Date, which notice will (1) specify the Conversion Date; (2) state that from and after the Conversion Date the Bonds held by that Registered Owner will cease to bear interest; and (3) state that with respect to a Conversion Date the Bonds are subject to mandatory tender on the Conversion Date for purchase at the Purchase Price and that any Bonds not delivered to the Trustee on the Conversion Date will be deemed to have been delivered on such Conversion Date and will be available for purchase. Any Bond not tendered for purchase on the Conversion Date will be deemed to have been tendered for purchase, and will cease to accrue interest on

the Conversion Date. Notwithstanding the foregoing, no notice of mandatory tender upon a Conversion will be given if the Conversion Date is also a Substitution Date.

The Purchase Price of any Bond deemed to have been tendered as provided above will be paid to the Registered Owner of such Bond who has been deemed to have tendered such Bond upon the delivery of such Bond to the Trustee, but from and after the Conversion Date such Bond in the possession of such Registered Owner will not continue to accrue interest.

Mandatory Tender on Substitution of Letter of Credit

The Bonds will be subject to mandatory tender in whole on the effective date of any Substitute Letter of Credit or Alternate Credit Facility (the "Substitution Date"). The procedures for such mandatory tender will be as described under the heading "Demand Purchase Option" below. The Trustee will give written notice of the substitution of the Letter of Credit to all Owners in the manner described under the heading "THE INDENTURE – Substitute Letter of Credit" in Appendix A hereto, provided, that such notice will additionally state that all of the Bonds are subject to mandatory tender on the Substitution Date for purchase at the Purchase Price and that any Bonds not delivered to the Trustee on the Substitution Date will be deemed to have been delivered on such Substitution Date and will be available for purchase. Any Bond not tendered for purchase on the Substitution Date will be deemed to have been tendered for purchase, and will cease to accrue interest on such date.

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

Mandatory Tender on Termination or Expiration of Credit Facility

The Borrower may, at the times permitted by the Indenture, cause a subseries of Bonds to be subject to mandatory tender for purchase in order to terminate an existing Credit Facility with respect thereto in accordance with the terms of such Credit Facility; provided, that (i) such existing Credit Facility provides for a draw in an amount necessary to pay the purchase price, including any accrued interest, of such Bonds on the mandatory tender date selected by the Borrower, (ii) the provider of such Credit Facility is not in default under its Credit Facility, and (iii) such Bonds will be remarketed by the applicable Remarketing Agent with an Alternate Credit Facility or, for Bonds to be remarketed at other than Variable Rates, with no Credit Facility, provided the Bonds so remarketed are in compliance with the requirements described under "Certain Restrictions on Transfer and Remarketing" above. The Bonds so affected will be subject to mandatory tender for purchase in accordance with the Indenture.

The Bonds will be subject to mandatory tender for purchase in whole on the latest regularly scheduled Interest Payment Date that is at least five Business Days prior to the stated expiration date of a Credit Facility if (1) either (A) the Borrower does not cause to be delivered to the Trustee at least 45 days prior to such Interest Payment Date an extension of the then-current Credit Facility or an irrevocable commitment for an Alternate Credit Facility satisfying the requirements of the Indenture or (B) after the delivery of the irrevocable commitment described in clause (A) hereof, the Borrower does not cause to be delivered to the Trustee such Alternate Credit Facility, together with the documents required by the Indenture, on or prior to the 15th calendar day prior to such regularly scheduled Interest Payment Date, and (2) the Borrower fails to initiate a mandatory tender for purchase pursuant to the immediately

preceding paragraph above on or prior to the 15th calendar day prior to such regularly scheduled Interest Payment Date. Such Bonds may thereafter be remarketed by the applicable Remarketing Agent with an Alternate Credit Facility or with no Credit Facility, provided the Bonds so remarketed are in compliance with the requirements described under “Certain Restrictions on Transfer and Remarketing” above. The Bonds so affected shall be subject to mandatory tender for purchase in accordance with the Indenture.

Notice of Mandatory Tender

The Trustee will give notice of the Demand Date (whether a Conversion Date or the date on which a Substitute Letter of Credit or Alternate Credit Facility is to be provided) to the Registered Owners of the Bonds, in the same manner as notices for redemption of Bonds are given, not less than 10 calendar days prior to the Demand Date. The notice will specify the Demand Date, state that from and after the Demand Date the Bonds will cease to bear interest, and state that the Bonds are subject to mandatory tender to the Trustee on the Demand Date for purchase at the Purchase Price.

Demand Purchase Option

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

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

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

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

(A) gives irrevocable notice to the Remarketing Agent and the Trustee at or prior to 11:00 a.m., New York City time, on such Business Day by fax or Electronic Notice to such numbers or addresses designated for such purpose by the Remarketing Agent and the Trustee stating the Owner’s (or Beneficial Owner’s) irrevocable and unconditional election to tender such Daily Rate Bond on such Business Day (the “Demand Date”). Such Demand Notice must include the name of such Owner (or Beneficial Owner) and the aggregate principal amount and CUSIP number of the Daily Rate Bonds to be

tendered and, if delivered by the beneficial owner of the Daily Rate Bond, must be accompanied by an “SDFS Deliver Order” entered at DTC before or simultaneously with the notice; and

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

General. The delivery of the Tender Notice will be irrevocable and binding upon the Owner (or Beneficial Owner) providing such notice, and any certificated Bond for which such Tender Notice has been received, whether or not delivered to the Trustee or the Remarketing Agent on the Demand Date, will be deemed to have been so delivered and will be available for purchase. The Trustee and Remarketing Agent may rely conclusively upon receipt by it of a Tender Notice from a Beneficial Owner, but will make payment of the Purchase Price only to the Registered Owner.

The Purchase Price of any Bond deemed to have been tendered as described above will be paid to the Registered Owner (and not to the Beneficial Owner) of such Bond who has been deemed to have tendered such Bond upon delivery of such Bond to the Trustee or the Remarketing Agent, but from and after the Demand Date, such Bond in the possession of such Registered Owner will not continue to accrue interest.

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

Anything in the Indenture to the contrary notwithstanding, no Bonds will be purchased or remarketed if an Event of Default under paragraph (a) or (b) under the heading “The Indenture – Defaults” in Appendix A has occurred and is continuing, which occurrence and continuation will be communicated by the Trustee to the Remarketing Agent. Furthermore, no Bonds will be remarketed if all of the Bonds have been called for redemption or mandatory tender unless the new purchaser has received prior notice from the Remarketing Agent of such redemption or tender.

Purchase of Bonds

On each Demand Date the Trustee will pay to the Registered Owners thereof, as provided in the Indenture, but only from amounts representing remarketing proceeds transferred by the Remarketing Agent to the Trustee or draws under the Letter of Credit, the Purchase Price of any tendered Bonds for which it has received a Tender Notice or for which a mandatory tender has been declared. Such payments will be made first from amounts representing remarketing proceeds and second from draws under the Credit Facility, in that order. Any amounts drawn under the Credit Facility to purchase Bonds will be used solely for such purpose. If there are excess proceeds drawn under the Credit Facility that are not needed to purchase Bonds, the Trustee will return such excess to the Credit Provider.

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

Additional Bonds; Additional Indebtedness

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

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

Remarketing Agents

Under the Indenture and two separate Remarketing Agreements, Citigroup Global Markets Inc. has been appointed initial Remarketing Agent for the 2016H-1 Bonds and the 2016H-3 Bonds, and Goldman, Sachs & Co. has been appointed initial Remarketing Agent for the 2016H-2 Bonds and the 2016H-4 Bonds.

The Remarketing Agents, upon receipt of a Tender Notice or upon notice to a Remarketing Agent of a mandatory tender of Bonds under the Indenture, will use their best efforts to find a purchaser for the Bonds referred to in such Tender Notice at a price equal to the Purchase Price. The Bonds may not be remarketed to the City, the Borrower, any guarantor or member of the Borrower or an affiliate of the Borrower and may not be remarketed if an Event of Default under the Indenture has occurred and is continuing.

Upon receipt by the Trustee of the Purchase Price and, if the Bonds are in certificated form, receipt by the Trustee or the Remarketing Agents of the Bonds to be purchased on such date in good form for delivery, the Trustee will remit the Purchase Price of such Bonds to the tendering Bondowner.

Disclosure Concerning Sales by Remarketing Agents

Remarketing Agents are Paid by the Borrower. Each Remarketing Agent's responsibilities include determining the interest rate from time to time and remarketing Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Indenture and the Remarketing Agreement), all as further described in this Official Statement. Each Remarketing Agent is appointed by the Borrower and is paid by the Borrower for its services. As a result, the interests of the Remarketing Agents may differ from those of existing holders and potential purchasers of Bonds.

Remarketing Agents Routinely Purchase Bonds for their Own Account. Each Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its discretion, routinely purchases such obligations for its own account. Each Remarketing Agent is permitted, but not obligated, to purchase tendered Bonds for its own account and, in its sole discretion, routinely acquire

such tendered Bonds in order to achieve a successful remarketing of the Bonds (i.e., because there otherwise are not enough buyers to purchase the Bonds) or for other reasons. However, each Remarketing Agent is not obligated to purchase Bonds, and may cease doing so at any time without notice. Each Remarketing Agent may also make a market in the Bonds remarketed by it by routinely purchasing and selling such Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, each Remarketing Agent is not required to make a market in the Bonds. A Remarketing Agent may also sell any Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Bonds. The purchase of Bonds by a Remarketing Agent may create the appearance that there is greater third party demand for the Bonds in the market than is actually the case. The practices described above also may result in fewer Bonds being tendered in a remarketing.

Bonds May be Offered at Different Prices on Any Date Including an Interest Rate Determination Date. Pursuant to each Remarketing Agreement, the related Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the relevant Bonds at par plus accrued interest, if any, on and as of the applicable Variable Rate Determination Date. The interest rates will reflect, among other factors, the level of market demand for the Bonds (including whether the Remarketing Agent is willing to purchase Bonds for its own account). There may or may not be Bonds tendered and remarketed on a Variable Rate Determination Date, the Remarketing Agent may or may not be able to remarket any Bonds tendered for purchase on such date at par and the Remarketing Agent may sell Bonds at varying prices to different investors on such date or any other date. Each Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the Bonds at the remarketing price. In the event a Remarketing Agent owns any Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Bonds on any date, including the Variable Rate Determination Date, at a discount to par to some investors.

The Ability to Sell the Bonds other than through Tender Process May Be Limited. Each Remarketing Agent may buy and sell Bonds other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require holders that wish to tender their Bonds to do so with appropriate notice. Thus, investors who purchase the Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Bonds other than by tendering the Bonds in accordance with the tender process.

Redemption of the Bonds

Optional Redemption. The Bonds are subject to optional redemption, in whole or in part, without premium, on any Business Day, at a price equal to the principal amount redeemed plus interest to the redemption date, with the written consent of the Credit Provider.

The Borrower has agreed under the terms of the Reimbursement Agreement to exercise its right to redeem Bonds at its option at the times and in the amounts set forth in the Reimbursement Agreement. See “SUMMARY OF CERTAIN PROVISIONS OF THE LETTER OF CREDIT AGREEMENT – Certain Covenants of Borrower and Affordable Unit Owner” herein. Notwithstanding the foregoing, the Bank may waive these requirements in its discretion and without notice to, or consent of, the Bondholders. The Borrower may redeem Bonds in excess of the Bank’s requirements, with the Bank’s prior written consent and in the Bank’s sole discretion and without consent of, the Bondholders.

The Trustee will give notice to Bondowners of any optional redemption of Bonds as described under the heading “Notice of Redemption” below; provided, that (i) the requirements of the Loan

Agreement relating to prepayments of the Mortgage Note have been met and (ii) the Bank has given its written consent if the Letter of Credit is to be drawn upon to pay the principal portion of the prepayment. Conditional notice may be given. Such notice may be rescinded by the Trustee if funds are not available on the date fixed for redemption.

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

(a) *Funds Remaining in Mortgage Loan Fund.* The Bonds are subject to redemption in whole or in part, on the first regularly scheduled Interest Payment Date on or after _____, unless such date is extended in accordance with the Loan Agreement, in an amount equal to the Mortgage Loan proceeds (plus any interest earnings thereon) remaining in the Mortgage Loan Fund at the close of business on _____ (or the fifteenth day of the second month preceding the month in which any extension of such date set for redemption ends).

(b) *Determination of Taxability.* The Tax-Exempt Bonds are subject to redemption in part in an amount equal to the Outstanding Bonds, as soon as practicable following receipt by the Trustee of written notice from the City, Borrower or Bond Counsel of a Determination of Taxability, or in whole or in part, as soon as practicable, in order to prevent a Determination of Taxability (in the amount determined by Bond Counsel to be necessary to preserve the tax-exemption of interest on the Tax-Exempt Bonds that will remain Outstanding thereafter, if any).

(c) *Casualty or Condemnation.* The Bonds are subject to redemption in whole or in part, on the next regularly scheduled Interest Payment Date for which notice of redemption can be given pursuant to the Indenture, upon written notice to the Trustee of the determination of the Credit Provider, in accordance with the Loan Agreement, to have the Trustee draw on the Credit Facility in the amount of any net proceeds of insurance or condemnation awards in an amount not less than \$_____ not used to repair or replace the Projects or otherwise in accordance with the Loan Agreement.

(d) *Default Under Reimbursement Agreement.* The Bonds will be subject to redemption in whole, as soon as practicable but not later than the first Business Day prior to the expiration or termination of the Letter of Credit, upon receipt by the Trustee of written notice from the Credit Provider of an Event of Default as defined in and under the Reimbursement Agreement and the determination by the Credit Provider to have the Trustee draw on the Credit Facility. See “SUMMARY OF CERTAIN PROVISIONS OF THE LETTER OF CREDIT AGREEMENT – Events of Default” herein.

(e) *Default Under Regulatory Agreement, Tax Certificate or Loan Agreement.* The Bonds are subject to redemption in whole on the first regularly scheduled Interest Payment Date for which notice of redemption can be given in accordance with the Indenture, following receipt by the Trustee of written notice from the City of the occurrence of an Event of Default under the Regulatory Agreement, the Tax Certificate or a payment default under the Loan Agreement (other than failure to make payment on the Mortgage Note) and requesting redemption of the Bonds. See “The Loan Agreement” in Appendix A hereto.

(f) *Wrongful Dishonor, Bankruptcy of Credit Provider or Determination of Unenforceability.* The Bonds are subject to redemption in whole, as soon as practicable but not later than the fifth Business Day prior to the stated expiration or termination of the Credit Facility, (i) if within 60 days after a Wrongful Dishonor, an Act of Bankruptcy of Credit Provider or a Determination of Unenforceability, the Borrower does not cause to be delivered to the Trustee an irrevocable commitment

for a Substitute Letter of Credit or Alternate Credit Facility satisfying the requirements in the Indenture; provided, that upon any acceleration of the Bonds such 60 day period will cease, or (ii) if, after the delivery of the irrevocable commitment described in clause (i) hereof, the Borrower does not cause to be delivered to the Trustee such Substitute Letter of Credit or Alternate Credit Facility in accordance with such commitment. A redemption of the Bonds pursuant to this paragraph upon a Wrongful Dishonor will be subject to the provisions of the Intercreditor Agreement. See “SECURITY FOR THE BONDS – Deed of Trust and Intercreditor Agreement.”

(g) *Credit Provider Direction.* The Bonds will be subject to redemption in part, at the written direction of the Credit Provider [and subject to the provisions of the Reimbursement Agreement] (A) on each Conversion Date in an amount not greater than the amount in the Principal Reserve Fund on the first Business Day of the month prior to such Conversion Date, as applicable, or (B) on any Interest Payment Date while Bonds bear interest at a Daily Rate or a Weekly Rate, in an amount not greater than the amount in the Principal Reserve Fund on the first Business Day of the month prior to such Interest Payment Date.

(h) *Available Amounts in Principal Reserve Fund.* The Bonds will be subject to redemption in part, on the first Business Day of each month while the Bonds bear interest at Variable Rates in an amount equal to the amount, if any, which is available in the Principal Reserve Fund in excess of the Principal Reserve Requirement, to be applied to the redemption of Bonds in accordance with the Indenture.

(i) *Actions of Collateral Agent.* The Bonds will be subject to redemption, in whole, as soon as practicable, in the event that the Collateral Agent seeks to realize its security interest in the Project (such as, but not limited to, a Wrongful Dishonor under a Credit Facility).

Notice of Redemption. For so long as the Bonds are held in book-entry form, notices of redemption will be given by the Trustee solely in accordance with the Letter of Representations. The Trustee will give notice of redemption not less than 30 days and not more than 40 days prior to the date fixed for redemption; except for notice of mandatory redemption as described in paragraphs (b) or (f) under the heading “Mandatory Redemption” above or notice of optional redemption as described under the heading “Optional Redemption” above (which will be given not less than ten days prior to the date fixed for redemption) and paragraph (e) under such heading (which will be given as soon as practicable), but in no event later than the date fixed for redemption (all of which will be deemed given when mailed).

All notices of redemption will be sent by first class mail, postage prepaid, to the Credit Provider, the City, the Borrower, the Remarketing Agent and the Registered Owner of each Bond to be redeemed at the address of such Owner as shown on the Bond Register; provided, however, that no such notice of redemption will be mailed unless on or prior to the date of mailing the Trustee has the authority to make a draw on the Credit Facility in an amount sufficient to pay principal of and interest on the Bonds on the dates set for redemption to redeem the Bonds. Neither the failure of a Bondowner to receive notice by mail nor any defect in any notice so mailed will affect the validity of the proceedings for such redemption. Such notice will state the redemption date, the redemption price, the amount of accrued interest payable on the redemption date, the place at which the Bonds are to be surrendered for payment, that from the redemption date interest on the Bonds to be redeemed will cease to accrue and, if less than all of the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice mailed as provided above will be conclusively presumed to have been duly given, whether or not the Bondowner receives such notice. The Trustee will provide additional notice of redemption to Bondowners in the event Bonds are not presented for payment within 60 days of the date fixed for redemption. Notice may be given on a conditional basis.

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

In the event that fewer than all Bonds Outstanding are to be redeemed, the Trustee will consider each \$5,000 of principal of a Bond in excess of the minimum Authorized Denomination of principal as a separate bond for purposes of selection and will select the necessary number of \$5,000 principal portions for redemption in a random manner. In the event that following this method of selecting portions of Bonds for redemption all Bonds are at the minimum Authorized Denomination and an additional amount of less than the minimum Authorized Denomination is to be redeemed, the Trustee will select a Bond from among the remaining Bonds and redeem that single Bond in part so that following such redemption such Bond will be in an outstanding principal amount of less than the minimum Authorized Denomination, but only if the principal amount of such Bond is in a multiple of \$5,000. No more than one Bond may have a principal amount of less than the minimum Authorized Denomination at any time. If Bank Bonds are to be called, the Trustee will provide notice of such selection to DTC in accordance with the Letter of Representations.

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

Effect of Redemption. Notice of redemption having been given as provided above, the Bonds or portions thereof designated for redemption will become due and payable on the date fixed for redemption and, unless the City defaults in the payment of the principal thereof and interest thereon, such Bonds or portions thereof will cease to bear interest from and after the date fixed for redemption whether or not such Bonds are presented and surrendered for payment on such date. If any Bond or portion thereof called for redemption is not so paid upon presentation and surrender thereof for redemption, such Bond or portion thereof will continue to bear interest at the rate set forth thereon until paid or until due provision is made for the payment of same.

Purchase in Lieu of Redemption. If all Bonds Outstanding are called for redemption in whole under paragraph (d) under the heading “Mandatory Redemption” above due to an Event of Default under the Reimbursement Agreement, the Bonds may, in lieu of such redemption, be purchased (“Special Purchase Bonds”) by the Trustee, at the written direction of the Bank to the Trustee, for the account of the Credit Provider. If all Bonds Outstanding are called for redemption in whole under paragraph (f) under the heading “Mandatory Redemption” above due to a Wrongful Dishonor, an Act of Bankruptcy of the Credit Provider or a Determination of Unenforceability, [or under paragraph (i) under the heading “Mandatory Redemption” above due to the actions of the Collateral Agent,] the Bonds may, in lieu of such redemption, be purchased (“Directly Purchased Bonds”) by HPS Investment Partners, LLC (“HPS”), a third-party investor approved by the Borrower. Any such purchase of Bonds will be in whole and not in part. Such purchase will be made on the date the Bonds are otherwise scheduled to be redeemed. The payment source for the Special Purchase Bonds will consist solely of funds to be advanced by the Credit Provider under the Credit Facility. Special Purchase Bonds will be registered in the name of the Credit Provider. Directly Purchased Bonds will be registered in the name of HPS.

Registration, Transfer and Exchange of Bonds

The Bonds initially will be registered in the name of Cede & Co., as nominee of DTC. DTC acts as agent solely for its participants and not for the beneficial owners of the Bonds, the City or the Underwriters. See Appendix C hereto.

SECURITY FOR THE BONDS

The Letter of Credit

Payment of the principal and Purchase Price of and interest on the Bonds is supported by and payable from amounts drawn by the Trustee under the Letter of Credit. The form of the Letter of Credit is attached hereto as Appendix B. The Letter of Credit may be replaced with a Substitute Letter of Credit or an Alternate Credit Facility as described under the heading “The Indenture – Substitute Letter of Credit” and “– Alternate Credit Facility” in Appendix A hereto. The Bonds are subject to mandatory tender in connection with the delivery of a Substitute Letter of Credit or Alternate Credit Facility as described under the heading “THE BONDS – Mandatory Tender on Substitution of Letter of Credit” herein.

At all times during which Bonds are Outstanding, the Borrower will cause to be provided and continuously available to the Trustee, as beneficiary, an irrevocable, direct pay Letter of Credit or Alternate Credit Facility meeting the requirements of the Indenture. If the provider of the Credit Facility then in effect [wrongfully dishonors any draw on such Credit Facility (a “Wrongful Dishonor”),] *[definition under review]* the Trustee will have the right to pursue the remedies available under the Intercreditor Agreement. See “Deed of Trust and Intercreditor Agreement” below.

THE BONDS ARE OFFERED SOLELY ON THE BASIS OF THE LETTER OF CREDIT AND NOT ON THE BASIS OF THE CREDIT OF THE BORROWER, THE FEASIBILITY OF THE PROJECT OR ANY OTHER SECURITY. AS A CONSEQUENCE, NO INFORMATION ABOUT THE FINANCIAL CONDITION OR RESULTS OF OPERATIONS OF THE BORROWER IS INCLUDED IN THIS OFFICIAL STATEMENT. WHILE THE INDENTURE AND THE LOAN AGREEMENT OBLIGATE THE BORROWER TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS, AS WELL AS THE PURCHASE PRICE OF BONDS TENDERED OR DEEMED TENDERED FOR PURCHASE, IN THE EVENT SUCH PRINCIPAL, INTEREST, OR PURCHASE PRICE IS NOT PAID FROM THE PROCEEDS OF REMARKETING THE BONDS OR AMOUNTS DRAWN UPON THE LETTER OF CREDIT, NO ASSURANCES CAN BE GIVEN THAT THE BORROWER WILL HAVE SUFFICIENT FUNDS AVAILABLE FOR SUCH PURPOSES. SEE ‘THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT,’ THE BANK,’ ‘CERTAIN BONDOWNERS’ RISKS – GENERAL’ AND “– THE LETTER OF CREDIT AND THE BANK.”

Pledge Under the Indenture

To secure the payment of the principal of, premium, if any, purchase price and interest on all Bonds outstanding and to secure the obligations of the Borrower to the Bank including without limitation, all obligations of the Borrower to the Bank under the Reimbursement Agreement, the City has pledged, assigned and granted to the Trustee the following:

(a) the Mortgage Loan and the Loan Agreement, the Tax Certificate executed by the Issuer and the Borrower, the Regulatory Agreement, the Deed of Trust, the Intercreditor Agreement, the Mortgage Note, the Bond Purchase Agreements each dated _____, 2016 among each Underwriter, the City and the Borrower, the Remarketing Agreements each dated _____, 2016 between each Remarketing

Agent and the Borrower and the Continuing Disclosure Agreement dated as of November 1, 2016 between the Borrower and U.S. Bank, National Association, as dissemination agent (collectively, the “Mortgage Loan Documents”), including all extensions and renewals of the terms thereof, if any, except the City’s rights retained under any of said documents (including but not limited to fees, indemnifications, reimbursements, notice, and provisions regarding transfer of the Projects), including but without limiting the generality of the foregoing, the present and continuing right to receive, receipt for, collect or make claim for any of the Revenues, whether payable under the above referenced documents, or otherwise, to bring actions and proceedings thereunder for the enforcement thereof, and to do any and all things that the City or any other person on behalf of the City is or may become entitled to do under the Mortgage Loan and the above-referenced documents;

(b) all Revenues that may from time to time be conveyed, assigned, hypothecated, endorsed, pledged, mortgaged, granted or delivered to the Trustee, or held by the Trustee in any Fund or Account established pursuant to the terms of the Indenture, together with investment earnings thereon, but excluding (a) money held by the Trustee in the Cost of Issuance Fund, the Rebate Fund, and the Principal Reserve Fund, and (b) money collected pursuant to reimbursement or indemnification of the City or the Trustee; and

(c) any and all other property pledged or assigned as and for additional security under the Indenture, by the City or by anyone on its behalf or with its written consent, to the Trustee.

THE BONDS ARE LIMITED OBLIGATIONS OF THE CITY, PAYABLE SOLELY FROM THE REVENUES (AS DEFINED IN THE INDENTURE AND CONSISTING PRIMARILY OF AMOUNTS DRAWN UNDER THE LETTER OF CREDIT), THE TRUST ESTATE AND OTHER FUNDS AND MONEYS PLEDGED AND ASSIGNED UNDER THE INDENTURE. NONE OF THE CITY (EXCEPT TO THE LIMITED EXTENT CERTAIN PAYMENTS AND RIGHTS HAVE BEEN ASSIGNED BY THE CITY UNDER THE INDENTURE), THE STATE OR ANY POLITICAL SUBDIVISION THEREOF NOR ANY PUBLIC AGENCY SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OR PURCHASE PRICE OF, OR PREMIUM (IF ANY) OR INTEREST ON, THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER, AND NONE OF THE BONDS OR ANY OF THE CITY’S AGREEMENTS OR OBLIGATIONS WITH RESPECT THERETO SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE CITY, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, PURCHASE PRICE OF OR INTEREST ON THE BONDS, NOR IS THE STATE, THE CITY, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE, IN ANY MANNER OBLIGATED TO MAKE ANY APPROPRIATION FOR SUCH PAYMENT.

Deed of Trust and Intercreditor Agreement

Deed of Trust. The Borrower will execute the Deed of Trust on the Joint Collateral consisting of the 55-story residential tower where the Project will be located to secure the Borrower’s obligations (i) to the Bank under the Reimbursement Agreement, (ii) to the Trustee under the Loan Agreement, and (iii) to the Conventional Lender under the Construction Loan Agreement. *[Describe terms of DOT, permitted liens, type of lien held by bondholders, terms of release, etc.]* The Loan Agreement and the Construction Loan Agreement will be cross-defaulted and cross-collateralized. The Trustee and the Conventional Lender will have a parity interest in the Joint Collateral based on each party’s respective pro rata share (as

computed under the Intercreditor Agreement). See “CERTAIN BONDOWNERS’ RISKS – Limitations Relating to Remedies under the Deed of Trust.”

Under the Indenture, the City covenants to enforce diligently all covenants, undertakings and obligations of the Borrower under the Mortgage Loan Documents and of the Credit Provider under the Credit Facility, and authorizes the Trustee to enforce any and all of its rights under (i) the Mortgage Loan Documents and the Credit Facility on behalf of the City and the Owners of the Bonds, and (ii) the Mortgage Loan Documents on behalf of the Bank, if any obligations of the Borrower under the Reimbursement Agreement remain undischarged and [no Wrongful Dishonor exists] under the Credit Facility, in each case subject to the terms of the Deed of Trust and the Intercreditor Agreement. Notwithstanding the foregoing, neither the Trustee nor the City will, without the prior written consent of the Credit Provider (or the Collateral Agent, if any), exercise any remedies under the Deed of Trust so long as (i) [no Wrongful Dishonor exists under the Credit Facility], (ii) there has not occurred an Act of Bankruptcy of the Credit Provider or a Determination of Unenforceability, and (iii) there is in effect a separate agreement between the City or the Trustee, on the one hand, and the Credit Provider or the Collateral Agent, on the other, to forbear from exercising any such remedies.

Intercreditor Agreement. The Conventional Lender and the Bank will enter into an Intercreditor, Servicing and Collateral Agency Agreement (the “Collateral Agency and Intercreditor Agreement”), dated as of November 1, 2016, pursuant to which, among other things, (i) the rights of the Bank and the Conventional Lender with respect to the Joint Collateral will be governed, (ii) the Collateral Agent will service and administer the loan under the Loan Agreement and the Letter of Credit, and (iii) the Collateral Agent will act as collateral agent under the Construction Loan Agreement and the Loan Agreement for the benefit of the Conventional Lender and the Bank. The Trustee will not have rights under the Collateral Agency and Intercreditor Agreement, except under certain circumstances upon the occurrence of a Wrongful Dishonor, as described below.

On the date of execution of the Collateral Agency and Intercreditor Agreement, the Bond Trustee and the Conventional Lender will also enter into the Intercreditor Agreement. The Intercreditor Agreement will only be applicable in the event of a Wrongful Dishonor under the Letter of Credit, and will address, among other matters, the intercreditor relationship between the Trustee and the Conventional Lender in the event of such Wrongful Dishonor. The occurrence of a Wrongful Dishonor will constitute a default under the Construction Loan and the Loan Agreement.

Upon the occurrence of a Wrongful Dishonor, the Conventional Lender and the Trustee will be subject to a ninety (90) day standstill period (the “Standstill Period”) during which remedies against the Joint Collateral cannot be exercised. During the Standstill Period, the Borrower and the Trustee have the right to propose a work-out plan for unanimous approval by the Trustee and the Conventional Lender. If no work-out plan is agreed upon by the Trustee, the Conventional Lender and the Borrower within the initial Standstill Period, the parties may, by mutual agreement, extend the Standstill Period.

Upon the occurrence of a Wrongful Dishonor, the Trustee may exercise one of the following options:

(1) **Option 1:** During the Standstill Period, the Conventional Lender and the Borrower have the right to arrange for one of the following:

(a) a letter of credit substitution pursuant to the Indenture; provided, however that the Trustee will not have an approval right with respect to any letter of credit substitution that (i) fully complies with the terms of the Indenture for substitute letters of credit including, but not limited, to complying with rating requirements for substitute letters of credit; (ii) provides for the

payment in full of the purchase price, and any accrued interest on such purchase price, of the Bonds that have been, or are, tendered; and (iii) pays all accrued interest on the Bonds due in accordance with the terms of the Indenture;

(b) the payment in full of all Bond principal, purchase price and any accrued interest in accordance with the Indenture, with no discretionary approval by the Trustee (or any Bondowners) required with respect thereto; or

(c) an agreement among the Conventional Lender, the Trustee and the Borrower on a work-out plan. The Trustee can consent to a work-out plan without requiring the consent of the Bondowners so long as the terms described in paragraph (b), and, if any Bonds will remain outstanding after the Standstill Period, all the terms described in paragraph (a) will be satisfied.

(2) *[Note: This Option 2 is likely to be deleted, pending Trustee approval.]* Option 2: Following a Wrongful Dishonor, the Trustee may elect to become a co-lender under the Collateral Agency and Intercreditor Agreement:

(a) In the event that the Trustee elects Option 2, the Trustee will step into the Collateral Agency and Intercreditor Agreement in all respects as though it is the Bank under the Collateral Agency and Intercreditor Agreement and, as such, the Trustee will be deemed to have agreed to be bound by the Collateral Agency and Intercreditor Agreement as a co-lender. The Conventional Lender will, among other things, continue to fund the Construction Loan to the Borrower pursuant to the terms of the Construction Loan Agreement, and the Trustee will, among other things, continue to fund the loan to the Borrower pursuant to the terms of the Loan Agreement (including any and all amounts remaining unfunded to the Borrower in the Mortgage Loan Fund (as such term is defined in the Indenture) and any other funds under the Indenture in which proceeds of the Bonds are held).

(b) If the Trustee elects Option 2, the Trustee will engage a construction loan administrator that has experience with the administration of construction financings and projects such as the Project (such construction loan administrator may be a unit of the Trustee that has such expertise) to carry out its responsibilities as a co-lender under the Collateral Agency and Intercreditor Agreement.

(c) In the event that the Trustee elects Option 2, and is in good standing as a party to the Collateral Agency and Intercreditor Agreement, then any recovery from any completion guaranties, whether past or future recovery, subject to the Intercreditor Agreement, which will also apply to both Option 1 and Option 2, will be shared by the Conventional Lender and the Trustee in accordance with their respective pro rata shares (as computed under the Intercreditor Agreement) and in the priority set forth in the Collateral Agency and Intercreditor Agreement.

(d) In the event that the Trustee wishes to elect Option 2, the Trustee must be U.S. Bank National Association or a substitute trustee.

If the Standstill Period is not extended beyond the initial ninety (90) day period as described above, no work-out plan is agreed upon and none of the alternatives set forth in Option 1 are arranged, then, in the absence of a unanimous agreement between the Trustee and the Conventional Lender to the contrary, the Collateral Agent will proceed to diligently foreclose the lien of the Deed of Trust for the benefit of the Conventional Lender and the Trustee and decisions with respect to the consummation of the foreclosure will be decided upon unanimous agreement of the Conventional Lender and the Trustee.

In the event that the Joint Collateral is acquired as the result of a foreclosure or the acceptance of a deed or assignment in lieu of foreclosure, then title to the Joint Collateral will be taken by an entity formed by the Conventional Lender and the Bond Trustee, jointly and unanimously (such entity being the “Joint Venture”) and will be sold to a third party as unanimously agreed to by the Conventional Lender and the Trustee. Furthermore, all material decisions with respect to the ownership and disposition of the Joint Collateral will need to be unanimously agreed upon by the parties. However, in the event that the Conventional Lender and Trustee reach an impasse with respect to any decision relating to the Joint Collateral (a “Dead-Lock”), either party will have the right to trigger a forced sale of the Joint Collateral to the other party at a price set by the initiating party (the “Sale Price”), or if such other party elects not to purchase the Joint Collateral, then to an unrelated third party for any price that is at least 95% of the Sale Price without any additional consent from the responding party, or at a lower price under certain circumstances. Proceeds from the sale of the Joint Collateral will be used to pay costs and expenses of the foreclosure, any advances made by the Conventional Lender for protective advances with respect to the Joint Collateral, and then pro rata to the Conventional Lender and the Trustee, as described under the Intercreditor Agreement.

Principal Reserve Fund

The Indenture establishes a Principal Reserve Fund into which the Principal Reserve Requirement will be deposited pursuant to the terms of the Indenture. The Principal Reserve Requirement is 20% of the original principal amount of the Tax-Exempt Bonds or such other amount specified in writing to the Trustee (i) by the City with the prior written consent of the Credit Provider, or (ii) by the Credit Provider; provided any such direction is accompanied by an opinion of Bond Counsel to the effect such change in amount will not adversely affect the tax exempt status of the Tax-Exempt Bonds

At the written direction of the Credit Provider, amounts on deposit in the Principal Reserve Fund will be used by the Trustee to pay any amounts required to be paid by the Borrower under any Mortgage Loan Document, to pay any amounts owed to the Credit Provider in connection with any loan purchased by the Credit Provider and secured by the Project, or to pay any other amount agreed to in writing by the Borrower and the Credit Provider; provided that the amounts on deposit in the Principal Reserve Fund will, upon the occurrence of an event of default under any Mortgage Loan Document, be used in any manner and for any purpose specified by the Credit Provider in writing to the Trustee.

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

On each Conversion Date, amounts on deposit in the Principal Reserve Fund will be used to reimburse the Credit Provider in an amount equal to any Guaranteed Payment made by the Credit Provider to the Trustee under the Credit Facility to redeem Bonds in Authorized Denominations pursuant to the Indenture.

On any Interest Payment Date, to the extent of any deficiency in the Debt Service Fund, at the written direction of the Credit Provider, amounts on deposit in the Principal Reserve Fund will be transferred to the Debt Service Fund in the amount of such deficiency.

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

ESTIMATED SOURCES AND USES

The proceeds of the Bonds will be used as follows:

Sources of Funds

Principal of the Bonds
Original Issue Premium / (Discount)
Total Sources of Funds

Uses of Funds

Deposit into the Mortgage Loan Fund
Deposit into the Costs of Issuance Fund⁽¹⁾
Total Uses of Funds

⁽¹⁾ Includes fees of the City, the Trustee, the rating agency, legal fees, printing fees, and Underwriter's discount as well as rounding amounts and certain other costs incurred in connection with the issuance and delivery of the Bonds.

SUMMARY OF CERTAIN PROVISIONS OF THE LETTER OF CREDIT AGREEMENT

Issuance of the Letter of Credit

The Borrower requested the issuance by the Bank of the Letter of Credit to enhance the marketability of 2016 Series H-1, 2016 Series H-2 Bonds, 2016 Series H-3 Bonds and 2016 Series H-4 Bonds (collectively, the "Bonds") by securing a source of funds to be devoted exclusively to the payment by the Trustee, when and as due, of the principal or Purchase Price of and interest on the Bonds. The Bank provided the Letter of Credit subject to certain terms and conditions as provided in the Letter of Credit Reimbursement and Security Agreement (the "Letter of Credit Agreement") among the Borrower, the Bank (as issuer of the Letter of Credit), the other lenders party thereto, and any agent on behalf of the issuer of the Letter of Credit and such lenders, dated the date hereof (the "Letter of Credit Agreement"). Capitalized terms used under the caption "Summary of Certain Provisions of the Letter of Credit Agreement" and not otherwise defined in this Official Statement shall have the meanings given to such term contained in the Letter of Credit Agreement.

The Borrower agrees to reimburse the Bank in full for honored draws made the Letter of Credit on the date of each draw, or in the case of a draw to acquire unremarketed Bonds on the earlier to occur of (i) the Letter of Credit expiration date, (ii) the date of redemption or remarketing of the related unremarketed Bonds, or (iii) the second anniversary of the date upon which any such Remarketing Liquidity Drawing was honored by Bank under the Letter of Credit.

Certain Covenants of Borrower and Affordable Unit Owner

In addition to covenants relating to the reimbursement of the Bank for draws made under the Letter of Credit and to the payment of interest, fees and other amounts owing to the Bank, the Borrower covenants and agrees, among other covenants:

- (1) To furnish certain financial and other information to the Bank;
- (2) To obtain approval of the Bank prior to entering into any Lease other than a Permitted Lease;
- (3) To rebuild the Project upon casualty, to the extent described in the Deed of Trust;
- (4) To limit its ability to transfer or encumber its interest in the Project to the extent described in the Deed of Trust and the Letter of Credit Agreement;
- (5) To pay when due all indebtedness, obligations, assessments and taxes (subject to the terms of the Letter of Credit Agreement); and
- (6) With respect to the Rental Borrower only to comply with the terms of the Affordable Master Lease.

Events of Default

The following are events of default under the Letter of Credit Agreement

(a) Monetary. Borrower's failure to: (i) pay when due (A) any interest payable under this Agreement, (B) the payment due on the Credit Facility Termination Date, (C) any other regularly scheduled principal payment or fee due under any of the Loan Documents, including Letter of Credit Fees, (D) any payment due under Section 2.4 within the time periods specified therein or (E) any other sums due under any of the Loan Documents and such non-payment under this subclause (E) continues for ten (10) days following written notice to Borrower that the same is due and payable; or (ii) deposit any Borrower's Funds as and when required under this Agreement; provided, however, that if a different notice, grace and/or cure period is specifically provided in the applicable provision giving rise to such obligations or a date certain is set, then Borrower's failure to perform will not constitute a Default until such date as the specified notice, grace and/or cure period expires or date certain passes without performance; or

(b) Performance of Obligations. The occurrence of any default under any term, covenant, condition, and/or Borrower's or Guarantor's failure to perform any obligation under this Agreement or under any of the other Loan Documents other than those defaults specifically addressed in other subsections of this Section 11.1, in each instance for thirty (30) days after Borrower's receipt of written notice from Administrative Agent; provided, however, that if such failure or default cannot reasonably be cured within such 30-day period and Borrower or Guarantor, as applicable, shall have commenced to cure such failure or default within such 30-day period and thereafter diligently and continuously proceeds to cure the same, then such 30-day period shall be extended for so long as it shall require Borrower or Guarantor, as applicable, in the exercise of due diligence to cure such failure or default, but in no event shall such period extend for more than ninety (90) days; further, provided, however, that if a different grace, notice or cure period is specifically provided in the applicable provision giving rise to such obligations, or if a date certain is set, then Borrower's or Guarantor's, as applicable,

failure to perform will not constitute a Default until such date as the specified grace, notice and/or cure period expires or date certain passes without performance rather than the foregoing cure period; or

(c) Construction; Use. Except as caused by an event of force majeure for which a longer delay may be permitted under Section 4.3, (i) there is any material deviation in the work of construction of the Improvements from the Plans and Specifications not permitted under the Loan Documents or governmental requirements or the use of defective workmanship or materials in constructing the Improvements, and Borrower fails to remedy the same to Administrative Agent's satisfaction within thirty (30) days of Administrative Agent's written demand to do so; provided, however, that if the foregoing is susceptible of cure but cannot reasonably be cured within such thirty (30) day period and provided further that Borrower shall have commenced to cure the same within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for such time as is reasonably necessary for Borrower in the exercise of due diligence to cure the same, such additional period not to exceed ninety (90) days; or (ii) there is a cessation of construction of the Improvements prior to Completion for a continuous period of more than thirty (30) days (except as caused by an event of force majeure for which a longer delay may be permitted under Article 4 hereof); or (iii) the construction, sale or leasing of any of the Improvements in accordance with the Loan Documents is prohibited, enjoined or delayed for a continuous period of more than thirty (30) days; or (iv) utilities or other public services necessary for the full occupancy and utilization of the Property and Improvements are curtailed for a continuous period of more than thirty (30) days; or (v) Borrower fails to Complete the Improvements on or before the [Substantial] Completion Date; or

(d) Liens, Attachment; Condemnation. (i) The recording of any claim of Lien against the Property or Improvements or the service on Administrative Agent of any bonded stop payment notice relating to the Bond Loan and the continuance of such claim of Lien or bonded stop payment notice for thirty (30) days without discharge, satisfaction or provision for payment being made by Borrower in compliance with Section 4.9; or (ii) the condemnation, seizure or appropriation of, or occurrence of an uninsured casualty with respect to any material portion of the Property or Improvements, which materially impairs the Property or the Improvements on a permanent basis; or (iii) the sequestration or attachment of, or any levy or execution upon any of the Property or Improvements, any other collateral provided by Borrower under any of the Loan Documents, any monies in the Account or in the Borrower's Funds Account, or any substantial portion of the other assets of Borrower, which sequestration, attachment, levy or execution is not released, expunged or dismissed prior to the earlier of thirty (30) days or the sale of the assets affected thereby (subject to Borrower's right to contest under Section 13.7 hereof); or

(e) Representations and Warranties. (i) If any material representation or warranty made in any of the Loan Documents shall be incorrect in any material respect when made or remade except to the extent that Borrower shall have notified Administrative Agent of any contrary state of facts and shall have received written confirmation from Administrative Agent that the Lenders, in their sole but reasonable discretion, consider that such state of facts is not materially adverse to them, or (ii) if a Material Adverse Effect² shall have occurred; or

² "Material Adverse Effect" shall mean (a) material adverse effect upon the financial condition of (i) Borrower or (ii) the Guarantor or (b) a material adverse effect upon the status of title to, or the lien of the Deed of Trust on the Property (beyond any applicable notice and cure periods in and subject to any rights of contest in the Deed of Trust); provided, however, (x) so long as the Guarantor complies with the Guarantor financial covenants, no Material Adverse Effect with respect to the Guarantor shall be deemed to have occurred, and (y) no Material Adverse Effect with respect to Borrower and/or the Property shall be deemed to have occurred to the extent that a Material Adverse Effect with respect to Borrower and/or the Property is due to a material adverse effect in market conditions affecting the market in which the Property is located and such material adverse effect is not within the reasonable control of Borrower.

(f) Failure to Maintain Insurance. If Borrower fails (i) to maintain insurance as required under the Loan Documents, or (ii) in the event that a copy of the insurance policy with respect to a specific insurance coverage has not already been delivered to Administrative Agent, if Borrower fails to deliver such insurance policy within thirty (30) days after the Effective Date or (iii) if Borrower fails to deliver any certificate of insurance to accurately reflect in any respect the insurance coverage provided under the insurance policy to which such certificate of insurance relates within ten (10) days of request in writing by Administrative Agent; or

(g) Event of Taxability. If an Event of Taxability shall have occurred; or

(h) Voluntary Bankruptcy; Insolvency; Dissolution. (i) The filing of a petition by Borrower or Mezzanine Borrower for relief under the Bankruptcy Code, or under any other present or future state or federal law regarding bankruptcy, reorganization or other debtor relief law; (ii) the filing of any pleading or an answer by Borrower or Mezzanine Borrower in any involuntary proceeding under the Bankruptcy Code or other debtor relief law which admits the jurisdiction of the court or the petition's material allegations regarding Borrower's insolvency; (iii) a general assignment by Borrower or Mezzanine Borrower for the benefit of creditors; or (iv) Borrower or Mezzanine Borrower applying for, or the appointment of, a receiver, trustee, custodian or liquidator of Borrower or Mezzanine Borrower or any of their property; or

(i) Involuntary Bankruptcy. The failure of Borrower or Mezzanine Borrower to effect a full dismissal of any involuntary petition under the Bankruptcy Code or under any other debtor relief law that is filed against Borrower or Mezzanine Borrower or in any way restrains or limits Borrower, Mezzanine Borrower, Administrative Agent regarding the Loan, the Property or the Improvements, prior to the earlier of the entry of any court order granting relief sought in such involuntary petition, or ninety (90) days after the date of filing of such involuntary petition; or

(j) Insolvency of Guarantors. The occurrence of any of the events specified in Section 11.1(h) or Section 11.1(i) as to any Guarantor; or

(k) Change in Management or Control. The occurrence of any material direct or indirect management or organizational change in Borrower in violation of the Loan Documents; or

(l) Loss of Priority. The failure at any time of the Deed of Trust to be a valid first lien upon the Property and Improvements or any portion thereof (subject to Permitted Liens), other than as a result of any release or reconveyance of the Deed of Trust with respect to all or any portion of the Property and Improvements pursuant to the terms and conditions of this Agreement; or

(m) Hazardous Materials. The discovery of any significant Hazardous Materials in, on or about the Property or Improvements subsequent to the Effective Date in violation of Hazardous Materials Laws continuing beyond any applicable grace, notice or cure periods available to Borrower for the cure or remediation thereof hereunder or under the Hazardous Materials Indemnity Agreement. Any such Hazardous Materials shall be "significant" for this purpose if said Hazardous Materials, in Administrative Agent's reasonable discretion, have a materially adverse impact on the value of the Property and Improvements; or

(n) Default Under Guaranty. Failure of Guarantor to comply with the financial covenants set forth in Sections 5.1 and 5.2 of the Limited Guaranty; or

(o) Violation of Separate Purpose Entity Provisions. The occurrence of any unintentional default under Section 9.12 except to the extent that Borrower shall have notified

Administrative Agent of any violation and shall have received written confirmation from Administrative Agent that the Lenders, in their sole but reasonable discretion, that such violation is not materially adverse to them; or

(p) Default Under Disposition and Development Agreements. A default that remains uncured beyond any and all applicable notice, grace and cure periods therefor under the Disposition and Development Agreement, or the material amendment, modification, replacement or termination of same without the prior written approval of Administrative Agent (which shall not be unreasonably withheld, delayed or conditioned); or

(q) Failure to Obtain Approval of Condominium Offering Plan. The failure to obtain the approval when and as required pursuant to Section 2.10; or

(r) Failure to Obtain all Tract Map Subdivision Documents. A default that remains uncured beyond any and all applicable notice, grace and cure periods therefor under any of the documents with respect to the REA/CCR and Final Map; or

(s) Conventional Loan Documents. A default by Borrower or any Affiliate that remains uncured beyond any and all applicable notice, grace and cure periods therefor under any of the Conventional Loan Documents, or any “Wrongful Dishonor” (as defined in) such loan documents; or

(t) Midrise Project. A default by Borrower or any Affiliate that remains uncured beyond any and all applicable notice, grace and cure periods therefor under the loan documents for the Midrise Project prior to the earlier to occur of (i) the receipt of a temporary certificate of occupancy and the Partial Notice of Termination for the Improvements or (ii) the receipt of a temporary certificate of occupancy and Partial Notice of Termination for the Midrise Project; or

(u) Swap Agreement – A default by Borrower or any Affiliate that remains uncured beyond any and all applicable notice, grace and cure periods therefor under any Swap Agreement (as defined in the Conventional Loan Agreement) between Borrower and Conventional Lender; or

(v) Bridge Loan Documents. A default by Borrower or any Affiliate that remains uncured beyond any and all applicable notice, grace and cure periods therefor under any of the Bridge Loan Documents; or

(w) Bond Documents. A default that remains uncured beyond any and all applicable notice, grace and cure periods therefor under any of the Bond Documents; or

(x) Streetscape Loan. A default that remains uncured beyond any and all applicable notice, grace and cure periods therefor under any of the documents executed in connection with the Streetscape Loan; or the failure of Borrower to deposit proceeds of the Streetscape Loan upon receipt thereof with Collateral Agent³; or

(y) Condominium Documents. If a Condominium regime is formed with respect to the Property, then Borrower’s failure to materially comply with any terms, covenants and/or agreements with regard to the Condominium Documents; or

(z) Tower Affordable Master Lease. A default that remains uncured beyond any and all applicable notice, grace or cure periods therefor under the Tower Affordable Master Lease; or

³ MECHANICS TO BE CONFIRMED.

(aa) Money Laundering. The (i) indictment, arraignment, custodial detention or conviction of any Person within the Borrowing Group, on any charge of violating any Anti-Money Laundering Laws, or (ii) the involvement of any Person within the Borrowing Group, in any activity which, in the reasonable opinion of Administrative Agent, could result in an indictment, arraignment, custodial detention or conviction on any such charge. Notwithstanding the foregoing, to the extent a Default under Section 11.1(aa)(ii) relates to a party other than Borrower, any Guarantor or Mezzanine Borrower, and such Default is reasonably susceptible to cure, Borrower shall have a period of not more than five (5) Business Days to cure such Default from the earlier of (y) Borrower's knowledge of a Default under such subclause (ii) or (z) written notice from Administrative Agent to cure such Default; or

(bb) Breach of Sanctions Provisions. The failure of any representation or warranty of Borrower, or Borrower's failure to perform or observe any covenant, contained in either of Sections 6.28 or 9.41.

Remedies

Upon the occurrence of an Event of Default and at any time thereafter during the continuance of such event, the Bank may pursue any one or more of the following remedies concurrently or successively:

[To come.]

Accordingly, an Event of Default under the Letter of Credit Agreement may not necessarily result in a redemption or purchase of the Bonds under the Indenture.

Upon the occurrence of an Event of Default and at any time thereafter during the continuance of such event, the Bank also may exercise certain rights specified in the Letter of Credit Agreement relating to completion of the Project and application of funds thereto.

Indenture Provisions Respecting the Letter of Credit

The Trustee will draw moneys under the Letter of Credit in accordance with the terms thereof in order to provide the moneys necessary to make timely payments of the principal of and interest on the Bonds (other than Bank Bonds) on each Interest Payment Date. Payments of principal of and interest on the Bonds will be paid from the following sources in the following order of priority: (1) proceeds of draws on the Letter of Credit and (2) in the event that the Bank has failed to pay a conforming draw on the Letter of Credit, any other available Revenues paid to the Trustee.

The Letter of Credit may be replaced with a Substitute Letter of Credit or an Alternate Credit Facility as described under the heading "The Indenture – Substitute Letter of Credit" and "– Alternate Credit Facility" in Appendix A hereto. The Bonds are subject to mandatory tender in connection with the delivery of a Substitute Letter of Credit or Alternate Credit Facility as described under the heading "THE BONDS – Mandatory Tender on Substitution of Letter of Credit" herein.

THE BANK

[This section to be reviewed and updated by Bank Counsel.]

The information presented under this heading has been supplied by the Bank. None of the City, the Trustee, the Borrower or either of the Underwriters has independently verified such information, and none assumes responsibility for the accuracy of such information.

Bank of China

Bank of China Limited (the “Bank of China”) was formally established in February 1912 following the approval of Dr. Sun Yat-sen. From 1912 to 1949, the Bank of China served consecutively as China’s central bank, international exchange bank and specialist foreign trade bank and fulfilled its commitment to serving the public and developing China’s financial services sector. Prudent management and progressive reforms resulted in many significant achievements across the Bank of China’s diversified business operations. After the founding of the People’s Republic of China, the Bank of China became the state-designated specialist foreign exchange and foreign trade bank and contributed substantially to the development of China’s foreign trade and national economy. Transformed from a specialist foreign exchange bank into a state-owned commercial bank in 1994, the Bank of China began a joint stock restructuring in 2003, which resulted in the Bank of China being incorporated in August 2004 and its shares being listed on the Hong Kong Stock Exchange and Shanghai Stock Exchange in June and July 2006, respectively, becoming the first A share and H share dual-listed Chinese commercial bank.

The shares of the Bank of China are currently listed on both the Shanghai Stock Exchange (code: 601988) and the Stock Exchange of Hong Kong (stock code: 3988).

As the most international and diversified bank in China, the Bank of China provides a comprehensive range of financial services to customers across the Chinese mainland, Hong Kong, Macau and overseas countries. The Bank of China’s core business is commercial banking, including corporate and personal banking and financial markets services. BOC International Holdings Limited, one of the Bank of China’s wholly-owned subsidiaries, is the Bank of China’s investment banking arm. Bank of China Group Insurance Co., Ltd. and its subsidiary and affiliated companies operate the Bank of China’s insurance business. Bank of China Investment Management Co., Ltd., majority-owned by the Bank of China, operates the Bank of China’s fund management business. BOCG Investment Limited, a wholly-owned subsidiary, undertakes the Bank of China’s direct investment and investment management business. BOC Aviation Private Limited oversees the Bank of China’s aircraft leasing business. BOC Hong Kong (Holdings) Limited (stock code: 2388 HK), a subsidiary of the Bank of China and the holding company of Bank of China (Hong Kong) Limited, is separately listed on the Stock Exchange of Hong Kong.

The most recently published audited consolidated annual financial statements of the Bank of China and any subsequently published interim financial statements, whether audited or unaudited, of the Bank of China (together, the “Bank of China’s Financial Statements”), shall be deemed to be incorporated in, and to form part of this Official Statement. The Bank of China’s Financial Statements are available on the Bank of China’s website at www.boc.cn. This website URL is an inactive textual link, and except for the Bank of China’s Financial Statements, no part of the Bank of China’s website and no other information of any nature is incorporated herein.

Any statement contained in a document incorporated by reference into this Official Statement shall be deemed to be modified or superseded to the extent that a statement contained in any subsequent document which is also incorporated by reference into this Official Statement modifies or supersedes such statement, whether expressly, by implication or otherwise. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Official Statement.

Bank of China, New York Branch

Bank of China, New York Branch (the “Bank”) was established in New York, New York in November 1981 with a full Federal branch license issued by the Office of the Comptroller of the Currency. Its license permits it to conduct both wholesale and retail banking in the United States. At

present, its business includes U.S. dollar clearing, international trade finance and settlement, foreign exchange trading and treasury service (securities custodian), corporate lending and retail banking (deposit taking and remittances). It is the largest branch of the Bank of China in the United States (measured by assets).

The information contained in this section relates to and has been obtained from the Bank. Delivery of this Official Statement shall not create any implication that there has been no change in the affairs of the Bank since the date of the information referred to herein, or that the information contained or referred to herein is correct as of the time subsequent to the date of the information referred to herein.

None of such information or any of the statements referred to in the preceding paragraphs is guaranteed as to accuracy or completeness by the City or the Underwriters, or is to be construed as a representation by the City or the Underwriters. Furthermore, neither the City nor the Underwriter makes any representations as to the financial condition or resources of the Bank or as to the absence of material adverse changes subsequent to the date of this Official Statement in such information or in the information contained in the statements referred to above.

THE CITY AND COUNTY OF SAN FRANCISCO

The City is a municipal corporation and chartered city and county of the State of California, organized and existing under and pursuant to its Charter and the Constitution and laws of the State. The City is authorized to issue bonds for the purpose of providing funds to make a loan for the acquisition, construction or rehabilitation of housing located in the City and County of San Francisco.

THE BONDS ARE LIMITED OBLIGATIONS OF THE CITY, PAYABLE SOLELY FROM THE REVENUES (AS DEFINED IN THE INDENTURE AND CONSISTING PRIMARILY OF AMOUNTS DRAWN UNDER THE LETTER OF CREDIT), THE TRUST ESTATE AND OTHER FUNDS AND MONEYS PLEDGED AND ASSIGNED UNDER THE INDENTURE. NONE OF THE CITY (EXCEPT TO THE LIMITED EXTENT CERTAIN PAYMENTS AND RIGHTS HAVE BEEN ASSIGNED BY THE CITY UNDER THE INDENTURE), THE STATE OR ANY POLITICAL SUBDIVISION THEREOF NOR ANY PUBLIC AGENCY SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OR PURCHASE PRICE OF, OR PREMIUM (IF ANY) OR INTEREST ON, THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER, AND NONE OF THE BONDS OR ANY OF THE CITY'S AGREEMENTS OR OBLIGATIONS WITH RESPECT THERETO SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE CITY, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, PURCHASE PRICE OF OR INTEREST ON THE BONDS, NOR IS THE STATE, THE CITY, ANY PUBLIC AGENCY OR ANY POLITICAL SUBDIVISION OF THE STATE, IN ANY MANNER OBLIGATED TO MAKE ANY APPROPRIATION FOR SUCH PAYMENT.

THE TRUSTEE

The City has appointed U.S. Bank National Association, a national banking association organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties

assignable to it under the Indenture and Bond documents. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Official Statement or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the City of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by the City or Borrower. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, the technical or financial feasibility of the Projects, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

THE PROJECT, THE PLAN OF FINANCE AND THE BORROWER

The following has been provided solely by the Borrower. None of the City, the Bank, the Trustee, the Underwriters, nor any of their officers or employees, make any representations as to the accuracy or sufficiency of such information. The information concerning the Borrower, the Project and the plan of finance contained herein is furnished solely to provide limited general information regarding the Borrower, the Project and the plan of finance and does not purport to be complete or comprehensive. The Bonds are offered solely on the basis of the Letter of Credit and not on the basis of the credit of the Borrower, the feasibility of the Project or any other security. As a consequence, no information about the operations, financial condition or results of operations of the Borrower is included in this Official Statement.

The Project

Transbay Block 8 Project. The Project is one component out of three distinct project components that will comprise the Transbay Block 8 Project (the “TB8 Project”). The TB8 Project is a planned hybrid rental/condo residential development to be located in the Transbay Redevelopment Project Area (the “Transbay Project Area”) of San Francisco. The Transbay Project Area is a 40-acre redevelopment district anchored by the Transbay Transit Center and approximately ten acres of vacant public land that has been conveyed to private firms for commercial and residential development. The Transbay Redevelopment Project Area is adjacent to the financial district and is in the South of Market neighborhood of San Francisco.

The TB8 Project is expected to feature a 550-foot tower and two midrise podiums. The TB8 Project is expected to include 548 residential units and approximately 17,000 square feet of retail space on a 1.14-acre city block and is expected to consist of the following distinct components:

- **Component 1:** 80 below market rate (“BMR”) rental units to be located in two midrise podiums, all of which will be set aside for households earning up to 50% area median income (“AMI”) and which are expected to qualify for federal low income housing tax credits. Component 1 is currently expected to be substantially completed in May 2019;
- **Component 2:** 350 “80/20” residential units to be located in the TB8 Project’s 55-story residential tower of which 70 BMR units (20% of 350 units) will be set aside for households earning up to 50% AMI and which are expected to qualify for federal low income housing tax credits, 278 units will be market rate units, and 1 unit will be reserved for the Project

superintendents. This component of the TB8 Project is referred to as the “Project” throughout this Official Statement, and will be financed in part with the proceeds of the Bonds. The Project is currently expected to be substantially completed in September 2019; and

- **Component 3:** 118 market rate condominiums also to be located in the 55-story residential tower. Component 3 is currently expected to be substantially completed in September 2019.

Proceeds of the Bonds will only be used to finance or refinance the acquisition and construction of the Project and will not be used on Component 1 and Component 3 of the TB8 Project.

The 55-story residential tower within which Component 2 and Component 3 of the TB8 Project will be located will constitute the Joint Collateral under the Deed of Trust. The Deed of Trust will secure the Mortgage Loan and the loan under the Construction Loan Agreement (the “Construction Loan”) on a parity basis. See “SECURITY FOR THE BONDS – Deed of Trust and Intercreditor Agreement.”

The Project. The Project is expected to be an “80/20” multifamily rental housing development consisting of 350 units constituting a portion of a high-rise tower to be located at 450 Folsom Street in San Francisco. The 350 units of 80/20 mixed-income rentals will consist of 70 BMR units, 279 market rate units, and 2 units reserved for the Project superintendents. The Project’s BMR rentals will be set aside for households earning up to 50% AMI pursuant to the Regulatory Agreement and San Francisco’s Mayor’s Office of Housing and Community Development (“MOHCD”) guidelines and which are expected to qualify for federal low income housing tax credits. The unit mix will comprise 101 studios, 161 one-bedroom units, and 88 two-bedroom units.

T8 Urban Housing Associates, LLC (see “The Borrower and Affiliates” below) will own the underlying fee for the airspace lot associated with the 70 BMR units and 1 superintendent unit (collectively, the “80/20 BMR Lot”) until the completion of the Project and upon completion of the Project, intends to enter into a long-term lease for the 80/20 BMR Lot with T8 Urban Housing Associates BMR, L.P., a California limited partnership, as lessee (the “80/20 BMR Lot Transaction”). The 80/20 BMR Lot Transaction will have a 55-year term and will include a put option whereby Related California, the developer of the TB8 Project (the “Developer”), or an affiliated entity can acquire the lessee’s interest in the lease at the end of 17 years (or earlier if the lessee’s investor limited partner withdraws from the partnership).

The Plan of Finance

The Project. The Project will be funded with proceeds of the Bonds, a bridge loan, 4% LIHTC equity, operating reserves, and streetscape reimbursement from OCII. The Borrower estimates construction sources and uses to be as follows:

<u>Sources</u>	<u>Amount</u>
Taxable Bonds	\$54,957,192
Tax-Exempt Bonds	186,202,489
LIHTC Bridge Loan	17,337,283
LIHTC Equity	912,489
Deferred Operating Reserves	270,570
Streetscape Reimbursement	<u>2,000,000</u>
Total	\$261,680,022

Other Components of the TB8 Project. The total project cost for Component 1 of the TB8 Project is estimated to be approximately \$[38.7] million. Component 1 will be funded primarily through the following sources: a tax-exempt loan through the City that will be funded through a direct placement (approximately \$[19.3] million), an OCII residual receipts loan (approximately \$16 million), and equity raised from the sale of low income housing tax credits (approximately \$17.6 million).

The total project cost for Component 3 of the TB8 Project is estimated to be approximately \$[239.2] million. Component 3 will be funded primarily through the Construction Loan from the Conventional Lender (approximately \$[93.8] million), third-party subordinated debt (approximately \$[41.6] million), preferred equity (approximately \$[56.8] million), and equity from the Borrower (approximately \$47.0 million).

Proceeds of the Bonds will not be used to finance or refinance the acquisition and construction of Component 1 or Component 3.

The Deed of Trust will secure the Mortgage Loan and the Construction Loan on a parity basis. See “SECURITY FOR THE BONDS – Deed of Trust and Intercreditor Agreement.”

The Borrower and Affiliates

The entities comprising the Borrower, T8 Urban Housing Associates, LLC, a Delaware limited liability company and T8 Urban Condo Owner, LLC, a Delaware limited liability company, are the entities that were formed for the specific purpose of acquiring, developing, constructing and operating the Project. As such, the Borrower has not previously engaged in any other business operation and has no historical earnings and has no assets other than its interest in the Project. Accordingly, it is expected that the Borrower will not have any sources of funds to make payments on the Mortgage Loan, other than revenues generated by the Project.

The sole member of the entities comprising the Borrower is T8 Senior Mezz LLC, a Delaware limited liability company. T8 Senior Mezz LLC will have the responsibility of causing the Borrower to acquire, develop, construct and operate the TB8 Project. T8 Senior Mezz LLC will be controlled by T8 Holdco LLC, a Delaware limited liability company, which is owned by Related California Residential, LLC. The Related Companies, L.P., a New York limited partnership, is the sole member of Related California Residential, LLC.

Operating through an affiliated group of companies referred to collectively as “Related” or “Related Companies,” The Related Companies, L.P. has been active in real estate acquisition, development, financial services and property/asset management since 1972. Today, Related is a fully integrated real estate firm with expertise in acquisition/development, financial services and property/asset management, overseeing a real estate portfolio valued in excess of \$20 billion. Related’s principal offices are in New York City, New York; Irvine, California; San Francisco, California; Los Angeles, California; Chicago, Illinois; and Miami, Florida.

The Borrower and each owner of Component 1 and Component 3 are affiliates of The Related Companies, L.P. T8 Housing Partners L.P., a California limited partnership, is the owner of Component 1. T8 Urban Condo Owner, LLC is the owner of Component 3.

The Regulatory Agreement

Operation of the Project is subject to a Regulatory Agreement as described under the heading “The Regulatory Agreement” in Appendix A hereto.

CERTAIN BONDOWNERS' RISKS

General

THE BONDS ARE OFFERED SOLELY ON THE BASIS OF THE LETTER OF CREDIT AND NOT ON THE BASIS OF THE CREDIT OF THE BORROWER, THE FEASIBILITY OF THE PROJECT OR ANY OTHER SECURITY. AS A CONSEQUENCE, NO INFORMATION ABOUT THE FINANCIAL CONDITION OR RESULTS OF OPERATIONS OF THE BORROWER AND VERY LIMITED INFORMATION CONCERNING THE PROJECT IS INCLUDED IN THIS OFFICIAL STATEMENT. IN THE EVENT OF A WRONGFUL DISHONOR OF THE LETTER OF CREDIT, THE OWNERS OF THE BONDS MAY HAVE VERY LIMITED AND DELAYED RECOURSE TO ANY REMEDIES OR COLLATERAL.

The Bonds may not be a suitable investment for all prospective purchasers. Prospective purchasers should consult their investment advisors before making any decisions as to the purchase of the Bonds. The following discussion, while not setting forth all the factors which must be considered, contains some of the factors which should be considered prior to purchasing the Bonds. This discussion of risk factors is not, and is not intended to be, exhaustive.

The Letter of Credit and the Bank

Payment of the principal of and interest on the Bonds and the Purchase Price of tendered and unremarketed Bonds, is supported by the Letter of Credit. Payment under the Letter of Credit depends on the creditworthiness of the Bank. There can be no assurance that the Bank will maintain its present financial condition or that an adverse change in such condition will not adversely affect its ability to honor future drawings under the Letter of Credit. The creditworthiness of banks and other financial institutions are subject to numerous risks. Further, foreign and international banks and financial institutions may be subject to additional risks relating to foreign and international operations and activities. See "THE BANK" herein.

The ratings of the Bonds will be dependent on the rating of the Bank. A downgrade of the credit of the Bank will result in a corresponding downgrading of the ratings on the Bonds. See "RATINGS" herein. While the Bonds bear interest at a Variable Rate, the Indenture permits the Borrower to substitute the Letter of Credit with a Substitute Letter of Credit or an Alternative Credit Facility meeting the requirements set forth in the Indenture provided that the Bonds are subject to a mandatory tender for purchase prior to such substitution.

So long as the Bank has not wrongfully failed or refused to honor a conforming draw under the Letter of Credit (a "Letter of Credit Default"), the Bank will control the exercise of remedies by the Trustee with respect to the Bonds and under the Loan Agreement; and any waiver of an Event of Default will be subject to the Bank's prior written consent. Furthermore, so long as no Letter of Credit Default has occurred, no Event of Default under the Loan Agreement or the Indenture can effectively lead to the acceleration of the Bonds except at the direction of the Bank. See "THE BONDS – Redemption of the Bonds – Mandatory Redemption" herein for information regarding mandatory redemption of outstanding Bonds without the consent of the Bank. See also "The Indenture – Defaults" and "– Remedies" in Appendix A hereto.

Unless extended, the Letter of Credit will expire as described therein. In the event that the Bank declines to extend the term of the Letter of Credit and an Alternate Credit Facility or a Substitute Letter of Credit cannot be obtained, the Bonds will be subject to mandatory tender for purchase prior to the

expiration date of the Letter of Credit. See “THE BONDS – Mandatory Tender on Termination or Expiration of Credit Facility” herein.

Limitations Relating to Remedies under the Deed of Trust

There are two methods of foreclosing on a deed of trust under California law, by nonjudicial sale and by judicial sale. Foreclosure under a deed of trust may be accomplished by a nonjudicial trustee’s sale under the power of sale provision in the deed of trust. Prior to such sale, the trustee must record a notice of default and election to sell and send a copy to the trustor, to any person who has recorded a request for a copy of the notice of default and notice of sale, to any successor in interest of the trustor to the beneficiary of any junior deed of trust and to certain other parties discernable from the real property records. The trustee then must wait for the lapse of at least three months after the recording of the notice of default and election to sell before establishing the trustee’s proposed sale date and giving a notice of sale (in a form mandated by California statutes). The notice of sale must be posted in a public place and published once a week for three consecutive calendar weeks, with the first such publication preceding the trustee’s sale by at least 20 days. Such notice of sale must be posted on the property and sent, at least 20 days prior to the trustee’s sale, to the trustor, to each person who has requested a copy, to any successor in interest of the trustor, to the beneficiary of any junior deed of trust and to certain other parties discernable from the real property records. In addition, the notice of sale must be recorded with the county recorder at least 14 days prior to the date of sale. The trustor, any successor in interest of the trustor in the trust property, or any person having a junior lien or encumbrance of record may, during the statutory reinstatement period, cure any monetary default and reinstate the secured indebtedness by paying the entire amount of the debt then due under the terms of the deed of trust and the obligations secured thereby (exclusive of principal due by virtue of acceleration upon default) plus costs and expenses actually incurred in enforcing the obligation and certain statutorily limited attorneys’ and trustee’s fees. Following a nonjudicial sale, neither the trustor nor any junior lienholder has any right of redemption, and the beneficiary may not ordinarily obtain a deficiency judgment against the trustor.

Should foreclosure under a deed of trust be sought in the form of a judicial foreclosure, it is generally subject to most of the delays and expenses of other lawsuits, and may require several years to complete. The primary advantage of a judicial foreclosure is that the beneficiary is entitled, subject to other limitations, to obtain a deficiency judgment against the trustor to the extent that the amount of the debt is in excess of the fair market value of the property. Following a judicial foreclosure sale, the trustor or its successors in interest may redeem the property for a period of one year (or a period of only three months if the proceeds of sale are sufficient to satisfy the debt, plus interest and costs). In addition, in order to assure collection of any rents assigned as additional collateral under the Deed of Trust, a receiver for the encumbered property might need to be appointed by a court.

Limitations Relating to Remedies under the Intercreditor Agreement and Collateral Agency and Intercreditor Agreement

The terms of the Intercreditor Agreement provide certain special rights to the Conventional Lender, and the consent of the Conventional Lender is required before certain remedies can be pursued by the Trustee under the Intercreditor Agreement. The Collateral Agency and Intercreditor Agreement provides certain conditions for the Trustee to exercise its rights under the Collateral Agency and Intercreditor Agreement upon the occurrence of a Wrongful Dishonor. As a consequence, the rights of the Holders of the Bonds may be limited in important ways. See “SECURITY FOR THE BONDS – Deed of Trust and Intercreditor Agreement.”

The Book-Entry System

Under the Indenture, the Trustee is instructed to give notices and pay the principal of and interest on the Bonds to the Owners. So long as the Bonds are registered in the book-entry only system maintained by DTC, the Trustee is required to give such notices and to make such payments only to DTC. DTC is expected to forward (or cause to be forwarded) such notices and payments to the Beneficial Owners. None of the City, the Trustee, the Bank, the Remarketing Agent or the Borrower will have any responsibility or obligation to assure that any such notice or payment is forwarded by DTC to any Participants or by any Participant to any Beneficial Owner.

Tax-Exempt Status of Tax-Exempt Bonds

Failure to comply with certain continuing legal requirements, such as the requirement for the Borrower to comply with the requirements of the Loan Agreement, the Regulatory Agreement and the Tax Certificate, may cause interest on the Tax-Exempt Bonds to become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Tax-Exempt Bonds. The Indenture does not provide for the payment of any additional interest or penalty in such an event. The Tax-Exempt Bonds will be subject to mandatory redemption as soon as practicable following written notice from the City, the Borrower or Bond Counsel of a Determination of Taxability or to prevent a Determination of Taxability. See the information herein under the heading “THE BONDS – Redemption of the Bonds” herein.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however, to certain qualifications set forth below, under existing law, the interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes, except during any period while a Tax-Exempt Bond is held by a “substantial user” of the facilities financed by the Tax-Exempt Bonds or by a “related person” within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the “Tax Code”). Interest on the Tax-Exempt Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations.

The opinion of Bond Counsel is subject to the condition that the City and the Borrower comply with certain requirements of the Tax Code that must be satisfied subsequent to the issuance of the Tax-Exempt Bonds. The City and the Borrower have covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Tax-Exempt Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Tax-Exempt Bonds.

The Tax Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Tax-Exempt Bonds. The City and the Borrower have made certain representations and covenanted to comply with certain restrictions designed to insure that interest on the Tax-Exempt Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Tax-Exempt Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Tax-Exempt Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not

taken) or events occurring (or not occurring) after the date of issuance of the Tax-Exempt Bonds may adversely affect the value of, or the tax status of interest on, the Tax-Exempt Bonds.

In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

The form of opinion of Bond Counsel is set forth as Appendix D hereto.

Changes in Mode and Other Actions

The interest rate mode and certain requirements and procedures contained in or referred to in the Indenture, the Loan Agreement and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Tax-Exempt Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Tax-Exempt Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Jones Hall, A Professional Law Corporation.

Other Tax Matters

Although Bond Counsel is of the opinion that interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Tax-Exempt Bonds may otherwise affect an Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Tax-Exempt Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Tax-Exempt Bonds. Prospective purchasers of the Tax-Exempt Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

UNDERWRITING

Citigroup Global Markets Inc. ("Citigroup") has agreed to purchase the 2016H-1 Bonds and the 2016H-3 Bonds at a price of 100% of the principal amount thereof. As consideration for its underwriting of the 2016H-1 Bonds and the 2016H-3 Bonds, Citigroup will be paid an aggregate fee at Bond Closing equal to \$_____ from which Citigroup will pay certain fees and expenses including the fees and expenses of its counsel.

Goldman, Sachs & Co. ("Goldman Sachs," and together with Citigroup, the "Underwriters") has agreed to purchase the 2016H-2 Bonds and the 2016H-4 Bonds at a price of 100% of the principal amount thereof. As consideration for its underwriting of the 2016H-2 Bonds and the 2016H-4 Bonds, Goldman Sachs will be paid an aggregate fee at Bond Closing equal to \$_____ from which Goldman Sachs will pay certain fees and expenses including the fees and expenses of its counsel.

The Underwriters have committed to purchase all of the related Bonds as described above if any of such Bonds are purchased and to use their best efforts to sell the Bonds. The Bonds are being offered for sale at the price set forth on the cover page of this Official Statement, which price may be lowered by the Underwriters from time to time without notice. The Bonds may be offered and sold to dealers, including the Underwriters and dealers acquiring Bonds for their own account or any account managed by them, at prices lower than the public offering prices.

The Borrower has agreed, pursuant to separate Bond Purchase Agreements with each Underwriter, to indemnify the Underwriters and the City against certain liabilities relating to this Official Statement.

Citigroup Global Markets Inc., as an underwriter of the Bonds, has entered into a retail distribution agreement with each of TMC Bonds L.L.C. (“TMC”) and UBS Financial Services Inc. (“UBSFS”). Under these distribution agreements, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS and the electronic primary offering platform of TMC. As part of this arrangement, Citigroup Global Markets Inc. may compensate TMC (and TMC may compensate its electronic platform member firms) and UBSFS for their selling efforts with respect to the Bonds.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriters and their affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the City for which they received or will receive customary fees and expenses. In addition, affiliates of the Underwriters are lenders, and in some cases agents or managers for the lenders, under a credit facility.

In the ordinary course of their various business activities, the Underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

Citigroup will serve as Underwriter and Remarketing Agent for the 2016H-1 Bonds and the 2016H-3 Bonds. Goldman Sachs will serve as Underwriter and Remarketing Agent for the 2016H-2 Bonds and the 2016H-4 Bonds.

[Citibank, N.A., an affiliate of Citigroup, will provide funds to facilitate a tax-exempt bridge loan credit facility (the “LIHTC Bridge Loan”) by the City to T8 Urban Housing Associates BMR, L.P., a California limited partnership. The LIHTC Bridge Loan will be used to provide funds to fund a portion of the Project. See “THE PROJECT, THE PLAN OF FINANCE AND THE BORROWER – The Plan of Finance.”]

RATINGS

It is a condition to the issuance of the Bonds that S&P Global Ratings and Moody’s Investors Service, Inc. (the “Rating Agencies”) will have assigned ratings to the Bonds as set forth on the cover hereof based upon the Letter of Credit. Any desired explanation of the significance of the ratings should be obtained from the respective Rating Agency. The ratings are not a recommendation to buy, sell, or hold the Bonds. There is no assurance that a particular rating will be maintained for any given period of

time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing the rating, circumstances so warrant. The City and the Underwriters have not undertaken responsibility to oppose any proposed revision or withdrawal of the ratings of the Bonds. Any such change in or withdrawal of such a rating could have an adverse effect on the market price of the Bonds if a registered owner attempts to sell the same.

ABSENCE OF MATERIAL LITIGATION

The City

It is one of the several conditions to the Underwriters' obligation to accept the Bonds at closing that the City deliver a certificate stating among other things that, to the best knowledge of the City, there is no proceeding pending or threatened to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the issuance or sale thereof, the pledge or application of any money or securities provided for the payment of the Bonds or the existence or powers of the City insofar as they relate to the authorization, sale and issuance of the Bonds or such pledge or application of money and securities.

The Borrower

There is no litigation now pending against the Borrower or, to the knowledge of officers of the Borrower, threatened, restraining or enjoining the issuance, sale, execution or delivery of the Bonds, the Indenture, the Loan Agreement, the Regulatory Agreement, the Letter of Credit, the Reimbursement Agreements or the Mortgage Note, or in any way contesting or affecting the validity of any of these documents or of any proceedings of the Borrower taken with respect to the issuance or sale of, or the pledge or application of any money or security provided for the payment of, the Bonds, the Letter of Credit or the Mortgage Note.

There is no litigation of any nature now pending against the Borrower or, to the knowledge of officers of the Borrower, threatened which, if successful, would materially adversely affect the operations or financial condition of the Borrower.

CERTAIN LEGAL MATTERS

All legal matters in connection with the issuance of the Bonds are subject to the approval of Jones Hall, A Professional Law Corporation, San Francisco, California, and Curls Bartling P.C., Oakland, California, Co-Bond Counsel. Certain legal matters will be passed upon by Hawkins Delafield & Wood LLP, San Francisco, California, Disclosure Counsel to the City. Certain legal matters will be passed upon by Levitt & Boccio, LLP, New York, New York and Bocarsly Emden Cowan Esmail & Arndt LLP, Los Angeles, California, Co-Counsel to the Borrower and by Troutman Sanders LLP, New York, New York, Counsel to the Bank. Certain legal matters will be passed upon for each Underwriter by its counsel, Eichner & Norris PLLC, Washington, D.C., and any opinion of such firm will be rendered solely to each Underwriter will be limited in scope and cannot be relied upon by investors.

Fees and expenses of certain of the above mentioned counsel are contingent upon issuance of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by, among other matters, limitations imposed by the valid exercise of the constitutional powers of the State and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors

generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon or of the future performance of parties to such transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The remedies available to the bondholders upon a default under the Letter of Credit, the Indenture, the Regulatory Agreement or the Loan Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the remedies provided in the Letter of Credit, the Indenture, the Regulatory Agreement or the Loan Agreement may not be readily available or may be limited.

CONTINUING DISCLOSURE

The City has determined that no financial or operating data concerning the City is material to an evaluation of the offering of the Bonds or to any decision to purchase, hold or sell Bonds and the City will not provide any such information. The Borrower has undertaken all responsibilities for any continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “Rule”). The City will have no liability to the Holders of the Bonds or any other person with respect to the Rule.

The Borrower and the Trustee, as dissemination agent (the “Dissemination Agent”) have entered into a Continuing Disclosure Agreement, dated as of the date of the Indenture (the “Continuing Disclosure Agreement”). The Continuing Disclosure Agreement obligates the Borrower to send, or cause to be sent, certain financial information with respect to the Project to the Municipal Securities Rulemaking Board and to provide notice, or cause notice to be provided, to the Municipal Securities Rulemaking Board upon the occurrence of certain enumerated events for the benefit of the Beneficial Owners and Holders of any of the Bonds. The form of the Continuing Disclosure Agreement is attached as Appendix F hereto. The Borrower has not entered into any other such undertaking with respect to the Rule.

A failure by the Borrower to comply with the provisions of the Continuing Disclosure Agreement will not constitute a default under the Indenture or the Loan Agreement (although Bondholders will have any available remedy at law or in equity). Nevertheless, such a failure to comply must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds.

MISCELLANEOUS

All of the summaries or descriptions of provisions of the Indenture, the Loan Agreement, the Reimbursement Agreement, the Letter of Credit and other documents are made subject to all of the provisions of law and such documents, and these summaries do not purport to be complete statements of such provisions. Reference is hereby made to such documents for further information in connection therewith. Copies of the aforementioned documents may be obtained from the Trustee.

Any statements herein involving matters of opinion or estimates, whether or not expressly so stated, are intended merely as such and not as representations of fact. This Official Statement is not to be construed as a contract with the purchasers of the Bonds.

T8 URBAN HOUSING ASSOCIATES, LLC

By _____
Its _____

T8 URBAN CONDO OWNER, LLC

By _____
Its _____

APPENDIX A

**DEFINITIONS AND SUMMARY OF
CERTAIN PROVISIONS OF PRINCIPAL DOCUMENTS**

The following is a summary of certain provisions of the Indenture, the Loan Agreement and the Regulatory Agreement. Such summaries do not purport to be complete and reference is made to the actual documents, available from the Trustee, for a complete statement of their provisions.

[TO COME]

APPENDIX B
FORM OF LETTER OF CREDIT

APPENDIX C

BOOK-ENTRY SYSTEM

The following information regarding DTC and DTC's book-entry system has been extracted from information provided by DTC.

The information in this Appendix C concerning The Depository Trust Company ("DTC") and DTC's book entry system has been obtained from DTC and the City, the Borrower, the Underwriters and the Trustee take no responsibility for the completeness or accuracy thereof. The City cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC") will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each subseries of Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC is rated "AA+" by Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org; nothing contained in such websites is incorporated into this Official Statement.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their

purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, premium, if any, and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Borrower or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, the City or the Borrower, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Borrower or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

THE CITY, THE BORROWER, THE UNDERWRITERS AND THE TRUSTEE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OR THE SELECTION OF BONDS FOR PREPAYMENT.

None of the City, the Borrower, the Underwriters or the Trustee can give any assurances that DTC, DTC Participants, Indirect Participants or others will distribute payments of principal of, premium, if any, and interest on the Bonds paid to DTC or its nominee, as the registered Owner, or any redemption or other notice, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in a manner described in this Official Statement.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The Borrower may decide to discontinue use of the system of book entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book entry system has been obtained from DTC, but the City, the Borrower, the Trustee and the Underwriters take no responsibility for the accuracy thereof.

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

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

OPINION:

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

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City and County of San Francisco (the “Issuer”) of the above-referenced bonds (the “Bonds”) pursuant to Section 9.107 of the Charter of the Issuer, Article 1 of Chapter 43 of the San Francisco Administrative Code and Section 52097.5 of the California Health and Safety Code (the “Act”), and pursuant to an Indenture of Trust, dated as of _____ 1, 2016 (the “Indenture”), between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”), and a resolution of the Issuer adopted by its Board of Supervisors on _____, 2016. The Bonds are comprised of four subseries: the \$_____ City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (Transbay Block 8 Tower Apartments) 2016 Series H-1 (the “H-1 Bonds”); the \$_____ City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (Transbay Block 8 Tower Apartments) 2016 Series H-2 (the “H-2 Bonds” and together with the H-1 Bonds, the “Tax-Exempt Bonds”); the \$_____ City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (Transbay Block 8 Tower Apartments) 2016 Series H-3 (Taxable) (the “H-3 Bonds”); and the \$_____ City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (Transbay Block 8 Tower Apartments) 2016 Series H-4 (Taxable) (the “H-4 Bonds” and together with the H-3 Bonds, the “Taxable Bonds”). The proceeds of the Bonds are being loaned to T8 Urban Housing Associates, LLC, a Delaware limited liability company, and T8 Urban Condo Owner, LLC, a Delaware limited liability company, as jointly and severally liable co-borrowers (collectively, the “Borrowers”), pursuant to a Loan Agreement, dated as of _____ 1, 2016 (the “Loan Agreement”), among the Issuer and the Borrowers, to finance the acquisition and construction of a 350-unit multifamily rental housing facility constituting a portion of a high-rise tower located at 450 Folsom Street in San Francisco, California (the “Project”). The Bonds have been sold by the Issuer pursuant to a Bond Purchase Agreement, dated _____, 2016 (the “Purchase Agreement”), among the Issuer, Citibank, N.A., as underwriter of the H-1 Bonds and the H-3 Bonds, and Goldman, Sachs & Co., as underwriter of the H-2 Bonds and the H-4 Bonds. Capitalized terms used but not defined herein shall have the meanings ascribed in the Indenture.

We have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the representations and covenants of the Issuer, the Trustee, the Borrowers, and others, as contained in the Purchase Agreement; the Indenture; the Loan Agreement; the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of _____ 1, 2016 (the “Regulatory Agreement”), by and among the Issuer and the Borrowers; the Certificate as to Arbitrage, dated as of the date hereof (the “Arbitrage Certificate”), executed by the Issuer and the Borrowers; the Certificate Regarding Use of Proceeds, dated as of the date hereof, executed by the Borrowers; and other certificates, documents, instruments and

certified proceedings relating to the issuance of the Bonds. We have also relied upon certain other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation. As to questions of law material to our opinion, we have assumed the correctness of the legal conclusions contained in the opinion of the City Attorney of the City and County of San Francisco.

Based upon the foregoing and existing law, as of the date hereof, we are of the opinion that:

1. The Issuer is a municipal corporation and chartered city and county, duly organized and existing under its Charter and the laws of the State of California (“State”), with the power to enter into the Indenture, the Loan Agreement and the Regulatory Agreement, perform the agreements on its part contained therein, and issue the Bonds.

2. The Indenture, the Loan Agreement and the Regulatory Agreement have been duly approved by the Issuer and constitute valid and binding obligations of the Issuer enforceable upon the Issuer.

3. Pursuant to the Act, the Indenture creates a valid lien on the funds, revenues and other collateral pledged by the Issuer for the security of the Bonds.

4. The Bonds have been duly authorized, executed and delivered by the Issuer and constitutes a valid and binding limited obligation of the Issuer, the principal and interest on which are payable and secured solely from the sources expressly provided therefor in the Issuer. The Indenture and the Bonds do not constitute a debt or liability of the Issuer, the State or any political subdivision thereof, other than to the limited extent provided in the Indenture, or a pledge of the faith and credit of the Indenture, the State or any such political subdivision.

5. Interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes, except during any period while any Tax-Exempt Bond is held by a “substantial user” of the facilities financed by them or a “related person” within the meaning of Section 147(a) of the Internal Revenue Code of 1986 (the “Code”). Interest on the Tax-Exempt Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and such interest is not taken into account in determining certain income and earnings for the purpose of computing the federal alternative minimum tax imposed on corporations. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer and the Borrower comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Tax-Exempt Bonds so that interest thereon will be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer and the Borrower have covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Tax-Exempt Bonds in gross income for federal income tax purposes to be retroactive to its date of issuance. The interest on the Bonds is exempt from personal income taxation imposed by the State of California. We express no opinion regarding any other tax consequences relating to or arising with respect to the Bonds.

The rights of any owner of the Bonds and the enforceability of the Bonds, the Indenture, the Loan Agreement and the Regulatory Agreement may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases, the application of equitable principles and the limitations on legal remedies against cities and counties in the State. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), arbitration, judicial reference, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or

interest in any of the real or personal property described in or as subject to the lien of the Indenture or the Loan Agreement or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property.

The opinions rendered in this letter are stated only as of the date hereof. Our engagement as Bond Counsel with respect to this matter has concluded as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

APPENDIX E

FORM OF TENDER NOTICE

(WEEKLY RATE / DAILY RATE BONDS)

Relating to

**CITY AND COUNTY OF SAN FRANCISCO
VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS
(TRANSBAY BLOCK 8 TOWER APARTMENTS)
2016 SERIES H**

\$ _____
2016 Series H-1

\$ _____
2016 Series H-2

\$ _____
**2016 Series H-3
(Taxable)**

\$ _____
**2016 Series H-4
(Taxable)**

U.S. Bank National Association, Trustee

Fax: _____

Email: _____

_____, Remarketing Agent

Fax: _____

The undersigned is the beneficial owner of certain of the above-captioned Bonds. The undersigned hereby irrevocably demands payment of \$_____ aggregate principal amount of the 2016H-___ Bonds (which amount is an integral multiple of \$5,000 equal to or in excess of \$100,000) and, if the date of purchase is not an Interest Payment Date, accrued interest thereon to such date of purchase (the "Purchase Price"). If the foregoing represents the tender of a Bond in part only, the remaining part is also an Authorized Denomination. An SDFS Deliver Order has been or is being entered at DTC simultaneously with this notice.

Payment of the Purchase Price shall be made by wire transfer of immediately available funds to Account No. _____ at DTC. Payment shall occur on _____, 20__ (the "Demand Date"), which is a Business Day (as defined in the Indenture pursuant to which the Bonds were issued) on or prior to a Conversion Date but at least seven days after the Business Day this demand is delivered.

The undersigned hereby authorizes and directs the Remarketing Agent to arrange for the sale of all or any part of the Bonds at not less than par (plus accrued interest to the Demand Date if the Demand Date is other than an Interest Payment Date). In the event of such a sale, payment of the Purchase Price of the Bonds shall be made on the Demand Date as hereinabove provided.

THE UNDERSIGNED RECOGNIZES THAT THIS TENDER OF THE BONDS IS IRREVOCABLE AND, THEREFORE, THAT FROM AND AFTER THE DUE AND PROPER EXECUTION OF THIS PURCHASE DEMAND AND ITS DELIVERY TO THE TRUSTEE AND THE REMARKETING AGENT, THE UNDERSIGNED SHALL HAVE NO FURTHER RIGHTS OR INTERESTS IN AND TO THE TENDERED BONDS OTHER THAN THE RIGHT TO RECEIVE PAYMENT OF THE PURCHASE PRICE OF THE TENDERED BONDS ON THE DEMAND DATE

FROM THE MONEY IN THE FUNDS AND ACCOUNTS ESTABLISHED WITH AND HELD BY THE TRUSTEE FOR SUCH PURPOSE. THE UNDERSIGNED FURTHER ACKNOWLEDGES THAT THE PURCHASE PRICE OF THE TENDERED BONDS WILL BE PAID TO DTC, AS REGISTERED OWNER OF THE BONDS, AND NOT TO THE BENEFICIAL OWNER.

THE UNDERSIGNED IRREVOCABLY APPOINTS THE TRUSTEE AS DULY AUTHORIZED ATTORNEY AND DIRECTS THE TRUSTEE TO EFFECT THE TRANSFER OF SUCH BENEFIT(S), OR, IN THE CASE OF ANY BOND ONLY A PORTION OF WHICH IS TENDERED FOR PURCHASE, TO EXCHANGE SUCH BOND INTO (I) BOND(S) REPRESENTING THAT PORTION OF THE BOND TO BE PURCHASED AND (II) BOND(S) REPRESENTING THAT PORTION OF THE BOND NOT TO BE PURCHASED, EACH IN FULLY REGISTERED FORM AND IN AUTHORIZED DENOMINATIONS, REGISTERED IN THE SAME NAME(S) AS THE BOND(S) TENDERED FOR PURCHASE ON THE DEMAND DATE.

Dated:

Signature(s) of Registered Owner(s) or beneficial owner(s)
of the Tendered Bonds

(Street) (City) (State) (Zip)

((Area Code) Telephone Number)

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

CITY AND COUNTY OF SAN FRANCISCO
VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS
(TRANSBAY BLOCK 8 TOWER APARTMENTS)
2016 SERIES H

\$ _____
2016 Series H-1

\$ _____
2016 Series H-2

\$ _____
2016 Series H-3
(Taxable)

\$ _____
2016 Series H-4
(Taxable)

This Continuing Disclosure Agreement, dated as of November 1, 2016 (this “Continuing Disclosure Agreement”), is executed and delivered by T8 Urban Housing Associates, LLC and T8 Urban Condo Owner, LLC (jointly and severally, the “Borrower”) and U.S. Bank National Association, as dissemination agent (the “Dissemination Agent”) for the above-captioned Bonds. The Bonds are being issued pursuant to an Indenture of Trust, dated as of November 1, 2016 (the “Indenture”) between the City and County of San Francisco (the “Issuer”) and U.S. Bank National Association, as trustee (the “Trustee”). Simultaneously with the issuance of the Bonds, there will be executed and delivered a Loan Agreement, dated as of the date of the Indenture (the “Loan Agreement”), by and among the Issuer, the Trustee and the Borrower, pursuant to which the Issuer will loan the proceeds of the Bonds to the Borrower (the “Mortgage Loan”) for the purpose of financing the construction and development of a multifamily rental housing development known as the Transbay Block 8 Tower Apartments (the “Project”). Pursuant to the Indenture and the Loan Agreement, the Dissemination Agent and the Borrower covenant and agree as follows:

Section 1. Purpose of the Continuing Disclosure Agreement. This Continuing Disclosure Agreement is being executed and delivered by the Borrower and the Dissemination Agent for the benefit of the Bondholders and in order to assist the Underwriters in complying with the Rule (defined below). The Borrower and the Dissemination Agent acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Continuing Disclosure Agreement, and has no liability to any Person, including any holder of the Bonds or Beneficial Owner, with respect to any such reports, notices or disclosures.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Continuing Disclosure Agreement.

“Audited Financial Statements” means, in the case of the Borrower, the annual audited financial statements of the Borrower prepared in accordance with generally accepted accounting principles, if any.

“Beneficial Owner” shall mean any Person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including Persons holding Bonds

through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Disclosure Representative” shall mean, with respect to the Borrower, the administrator of the Project or his or her designee, or such other Person as the Borrower shall designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean U.S. Bank National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with the Trustee a written acceptance of such designation.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Continuing Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934. All documents provided to the MSRB shall be in an electronic format and accompanied by identifying information, as prescribed by the MSRB. Initially, all document submissions to the MSRB pursuant to this Continuing Disclosure Agreement shall use the MSRB’s Electronic Municipal Market Access (EMMA) system at www.emma.msrb.org.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Underwriters” means Citigroup Global Markets Inc. and Goldman, Sachs & Co., and their successors and assigns.

Section 3. Provision of Annual Reports. (a) The Borrower will, or will cause the Dissemination Agent to, not later than 180 days following the end of the Borrower’s fiscal year, commencing with the fiscal year ending on December 31, 2016, provide to the MSRB an Annual Report which is consistent with the requirements described below. No later than 15 Business Days prior to said date, the Borrower will provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross reference other information, provided that the audited financial statements for the prior calendar year of the Borrower may be submitted separately from the balance of its Annual Report.

(b) If by 15 Business Days prior to the date specified in subsection (a) for providing an Annual Report to the MSRB, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent will contact the Disclosure Representative to determine if the Borrower is in compliance with subsection (a).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent will send a notice to the MSRB in substantially the form attached as Exhibit B to this Continuing Disclosure Agreement.

(d) The Dissemination Agent will file a report with the Borrower and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement, stating the date it was provided.

Section 4. Content of Annual Reports. The Borrower’s Annual Report will contain or incorporate by reference the financial information or operating data with respect to the Project, provided

at least annually, of the type included in Exhibit A hereto, which Annual Report may, but is not required to, include Audited Financial Statements. If the Borrower's audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report will contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements will be filed in the same manner as the Annual Report when they become available.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Borrower is an "Obligated Person" (as defined by the Rule), which have been filed with the MSRB. The Borrower will clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events. (a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events (each, a "Listed Event"):

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulty;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulty;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Tax-Exempt Bonds;
- (vii) Modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Borrower. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower;

(xiii) The consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) Appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material.

(b) The Borrower shall, within seven (7) Business Days of the occurrence of any of the Listed Events, provide to the Dissemination Agent a written notice describing the Listed Event and written direction to the Dissemination Agent to file the Borrower's notice describing the Listed Event pursuant to subsection (c) of this Section 5. In determining the materiality of any of the Listed Events specified in clauses (ii), (vi), (vii), (viii), (x), (xiii), or (xiv) of subsection (a) of this Section 5, the Borrower may, but shall not be required to, rely conclusively on an Opinion of Counsel. The Dissemination Agent shall have no obligation under this Continuing Disclosure Agreement to determine the materiality of any of the Listed Events specified in subsection (a) of this Section 5, which obligation shall rest solely with the Borrower, or to monitor the Borrower's obligation to provide notification of the occurrence of any such Listed Events.

(c) If the Dissemination Agent has been instructed by the Borrower to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB within three (3) Business Days of the receipt of such instruction, but in no event later than ten (10) Business Days after the occurrence of a Listed Event, with a copy of such notice provided by the Dissemination Agent to the Borrower, the Issuer and the Trustee. In addition, notice of Listed Events described in subsections (a)(viii) and (ix) of this Section 5 shall be given by the Dissemination Agent under this subsection simultaneously with the giving of the notice of the underlying event to the Bondholders of the affected Bonds pursuant to the Indenture.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Borrower and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the Dissemination Agent will agree to any amendment so requested by the Borrower unless such amendment adversely affects the Dissemination Agent's rights, duties, protections, immunities, indemnities or standard of care, as determined by the Dissemination Agent) and any provision of this Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions described under paragraph (a) under "Provision of Annual Reports," "Contents of Annual Reports" or paragraph (a) under "Reporting of Listed Events," it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an Obligated Person with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Bondholders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Bondholders or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Borrower will describe such amendment [in the next Annual Report] and will include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change will be given in the same manner as for a Listed Event under Section 5(f) hereof and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Default. In the event of a failure of the Borrower or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement, the Dissemination Agent may (and, at the request of the Underwriter or the Bondholders of at least 25% aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction, will), or the Borrower or any Holder or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking, or specific performance by court order, to cause the Borrower or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement will not be deemed an Event of Default under the Indenture or the Loan Agreement, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Continuing Disclosure Agreement will be an action to compel performance.

Section 8. Beneficiaries. This Continuing Disclosure Agreement will inure solely to the benefit of the Borrower, the Trustee, the Dissemination Agent, the Underwriter and Bondholders from time to time of the Bonds and will create no rights in any other Person or entity.

Section 9. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the Borrower shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Duties, Immunities and Liabilities of Dissemination Agent. Article VIII of the Indenture is hereby made applicable to this Continuing Disclosure Agreement as if this Continuing Disclosure Agreement were (solely for this purpose) contained in the Indenture and the Dissemination Agent shall be entitled to the same protections, limitations from liability and indemnities afforded the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and the Borrower agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their rights, obligations, powers and duties hereunder, including the costs and expenses (including reasonable attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Borrower under this Section shall survive the termination of this Continuing Disclosure Agreement, the resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the

Borrower, the Bondholders, or any other party. The Dissemination Agent shall have no liability to the Bondholders or any other party for any monetary damages or financial liability of any kind whatsoever related to or arising from the breach of this Continuing Disclosure Agreement.

The Dissemination Agent agrees to disseminate the information provided to it hereunder in the form delivered by the Borrower. The Dissemination Agent is acting hereunder solely in an agency capacity and as such is merely a conduit for the Borrower, and shall have no liability or responsibility for the form, content, accuracy or completeness of any information furnished hereunder. Any such information may contain a legend to that effect.

The Dissemination Agent shall have no obligation to make disclosure concerning the Bonds, the Project or any other matter except as expressly set out herein, provided that no provision of this Continuing Disclosure Agreement shall limit the duties, trusts, rights, powers or obligations of the Trustee under the Indenture. The fact that the Trustee has or may have any banking, fiduciary or other relationship with the Borrower or any other party in connection with the Project or otherwise, apart from the relationship created by the Indenture and this Continuing Disclosure Agreement, shall not be construed to mean that the Trustee has knowledge or notice of any event or condition relating to the Bonds or the Project except in its respective capacities under such agreements.

No provision of this Continuing Disclosure Agreement shall require or be construed to require the Borrower or the Dissemination Agent to interpret or provide an opinion concerning any information disclosed hereunder.

The Annual Report may contain such disclaimer language as the Borrower may deem appropriate. Any information disclosed hereunder by the Dissemination Agent may contain such disclaimer language as the Dissemination Agent may deem appropriate.

The Borrower hereby agrees to compensate the Dissemination Agent for the services provided and the expenses incurred pursuant to this Continuing Disclosure Agreement, in an amount to be agreed upon from time to time hereunder, and to reimburse the Dissemination Agent upon its request for all reasonable expenses, disbursements and advances incurred by the Dissemination Agent hereunder (including any reasonable compensation and expenses of counsel) except any such expense, disbursement or advance that may be attributable to its negligence or willful misconduct.

The Dissemination Agent may consult with counsel of its choice and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon, it being understood that for purposes of this provision, that such counsel may be counsel to the Borrower.

No provision of this Continuing Disclosure Agreement shall require the Dissemination Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights of powers.

Section 11. Notices. Any notices or communications to or among any of the parties to this Continuing Disclosure Agreement may be given at the addresses set forth in the Indenture. Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices of communications should be sent, effective only upon receipt.

Section 12. Governing Law. This Continuing Disclosure Agreement shall be governed by the laws of the State of California.

Section 13. Termination of this Continuing Disclosure Agreement. The Borrower or the Dissemination Agent may terminate this Continuing Disclosure Agreement by giving written notice to the other party at least 30 days prior to such termination. The Dissemination Agent shall be fully discharged at the time any such termination is effective. Also, this Continuing Disclosure Agreement shall terminate automatically upon payment or provision for payment of the Bonds.

Section 14. Counterparts. This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

T8 URBAN HOUSING ASSOCIATES, LLC

By _____
Its _____

T8 URBAN CONDO OWNER, LLC

By _____
Its _____

U.S. Bank National Association,
as Dissemination Agent

By _____
Its _____

EXHIBIT A

ANNUAL REPORT

OFFICIAL STATEMENT

**CITY AND COUNTY OF SAN FRANCISCO
VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS
(TRANSBAY BLOCK 8 TOWER APARTMENTS)
2016 SERIES H**

\$ _____
2016 Series H-1

\$ _____
2016 Series H-2

\$ _____
**2016 Series H-3
(Taxable)**

\$ _____
**2016 Series H-4
(Taxable)**

THE PROJECT

Name: _____
Address: _____
Number of Units _____
Percentage of Units Occupied as of Report Date _____

OPERATING HISTORY OF THE PROJECT

The following table sets forth a summary of the operating results of the Project for fiscal year ended _____, as derived from the Borrower's [un]audited financial statements.

Revenues
Operating Expenses**
Net Operating Income
Debt Service on the Loan
Net Operating Income/(Loss)
After Debt Service
The average occupancy of the Project for the fiscal year ended [____] was [____]%.

** Excludes depreciation and other non-cash expenses, includes management fee.

EXHIBIT B

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF
FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: City and County of San Francisco

Name of Bond Issue: City and County of San Francisco
Variable Rate Demand Multifamily Housing Revenue Bonds
(Transbay Block 8 Tower Apartments)
2016 Series H

Name of Borrower: T8 Urban Housing Associates, LLC
T8 Urban Condo Owner, LLC

Date of Issuance: [CLOSING DATE]

NOTICE IS HEREBY GIVEN that the above-referenced borrower (the “Borrower”) has not provided an Annual Report in connection with the above-captioned bonds (the “Bonds”) as required by a Indenture of Trust, dated as of November 1, 2016 (the “Indenture”), between the above-named Issuer (the “Issuer”) and U.S. Bank National Association, as trustee (the “Trustee”) and the Loan Agreement, dated as of the date of the Indenture (the “Loan Agreement”), by and among the Issuer, the Trustee and the Borrower. The undersigned has been informed by the Borrower that it anticipates that the Annual Report will be filed by _____.

Dated:

U.S. Bank National Association,
as Dissemination Agent

By _____
Its _____

cc: Borrower