
BOND PURCHASE AGREEMENT

by and among

CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA,

500 FOLSOM, L.P.,

BLOCK 9 MRU RESIDENTIAL, LLC,

CITIBANK, N.A.,

DEUTSCHE BANK AG, NEW YORK BRANCH,

and

HILLTOP SECURITIES INC.

Dated December __, 2016

Relating to:

\$132,000,000

CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA
MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2016E
(LOWER 500 FOLSOM RESIDENTIAL)

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BOND PURCHASE AGREEMENT

HILLTOP SECURITIES INC., a corporation duly organized and validly existing under the laws of the State of Delaware (together with its successors, assigns or designees hereunder, the “Placement Agent”), hereby offers to enter into the following agreement with the **CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA**, a municipal corporation duly organized and existing pursuant to its charter and the laws and constitution of the State of California (together with its successors and assigns, the “Issuer”), **500 FOLSOM, L.P.**, a California limited partnership (together with its permitted successors and assigns, the “Affordable Borrower”), **BLOCK 9 MRU RESIDENTIAL, LLC**, a Delaware limited liability company (together with its permitted successors and assigns, the “Market Borrower” and together with the Affordable Borrower, the “Borrowers”), **CITIBANK, N.A.**, a national banking association (together with its successors and assigns, “Citibank” or “Bondholder Representative”) and **DEUTSCHE BANK AG, NEW YORK BRANCH** (together with its successors and assigns, “DB” and together with Citibank, the “Purchasers”), for the sale by the Issuer, the placement by the Placement Agent and the purchase by the Purchasers or their designees of the Bonds described below, which are being issued by the Issuer for the benefit of the Borrowers. Upon your acceptance of this offer and your execution and delivery of this Bond Purchase Agreement (this “Agreement”), this Agreement will be binding upon each of you and the Placement Agent. This offer is made subject to your acceptance, evidenced by your execution and delivery of this Agreement to the Placement Agent, at or prior to __:00 A.M. New York, New York time on December __, 2016 and will expire if not so accepted at or prior to such time (or such later time as the Placement Agent and the Purchasers may agree in writing).

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

Section 2. Placement, Purchase and Sale.

2.1 Subject to the terms and conditions set forth in this Agreement, the Placement Agent hereby agrees to place the Bonds with the Purchasers, the Purchasers hereby agree to purchase, or to cause their designees to purchase, all (but not less than all) of the Bonds from the Issuer and the Issuer hereby agrees to sell to the Purchasers or to their designees, when, as and if issued, all (but not less than all) of the Bonds identified in Item 1 in Exhibit B attached hereto for a total purchase price equal to the purchase price set forth as Item 2 on Exhibit B attached hereto. Pursuant to the Indenture, the Bonds will be issued and purchased by the Purchasers in installments as draw-down Bonds in the amounts and on the dates set forth in Schedule I hereto except as otherwise agreed by the Purchasers and the Borrowers.

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

Section 3. Closing. The Closing will take place at the time and on the date set forth in Item 4 of Exhibit B attached hereto or at such other time or on such other date as may be mutually agreed upon by the parties hereto. At or prior to the Closing, the Issuer will direct the Trustee to deliver the Bonds to or upon the order of the Placement Agent, pursuant to the DTC FAST System, in definitive form, duly executed and authenticated by the Trustee. Subject to the terms and conditions hereof, the Issuer will deliver or cause to be delivered at the Place of Closing as set forth in Item 4 of Exhibit B attached hereto, the other documents and instruments to be delivered pursuant to this Agreement (the “Closing

Documents”) and the Purchasers will accept delivery of the Bonds and Closing Documents and pay the purchase price for the Bonds as set forth in Section 2.1 above by wire transfer, to the Trustee, in immediately available federal funds, for the account of the Issuer or as the Issuer directs. The Bonds will be made available to the Purchaser at least one business day before the Closing for purposes of inspection. The Bonds will be prepared and delivered as fully registered Bonds without coupons in the denominations set forth in the Indenture. The Bonds will be registered by the Trustee in the name of Cede & Co., as nominee for DTCC.

Section 4. Representations and Warranties of Issuer.

4.1 The Issuer hereby makes the following representations and warranties to the Placement Agent, the Purchasers and the Borrowers:

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

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

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

(d) The Bonds, when duly issued and authenticated in accordance with the Indenture and delivered to the Purchasers as provided herein, will be validly issued and outstanding limited obligations of the Issuer, entitled to the benefits of the Indenture and payable from the sources specified therein;

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

(f) The Issuer is not in any respect in breach of or default under any constitutional provision, law or administrative regulation of the State or of the United States or any agency or instrumentality of either, or of any other governmental agency, or any Material Judgment or Agreement (as defined below), and no event has occurred, which constitutes a default or event of default under any Material Judgment or Agreement; and the adoption of the Resolution, the issuance, delivery and sale of the Bonds and the execution and delivery of the Issuer Documents and compliance with and performance of the Issuer’s obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any such constitutional provision, law,

administrative regulation or any Material Judgment or Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer or under the terms of any such law, administrative regulation or Material Judgment or Agreement. As used herein, the term “Material Judgment or Agreement” means any judgment or decree or any loan agreement, indenture, bond, note or resolution or any material agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its property or assets is otherwise subject (including, without limitation, the Act, the Resolution and the Issuer Documents);

(g) All approvals, consents, orders, authorizations, filings or registrations of or with any governmental authority, board, agency, council, commission or other body having jurisdiction which would constitute a condition precedent to the execution and delivery by the Issuer of the Issuer Documents or issuance of the Bonds, or the performance by the Issuer of its obligations hereunder and under the Issuer Documents have been obtained, or will be obtained on the Closing Date; provided, that the Issuer makes no representations as to any approvals, consents or other actions which may be necessary to qualify the Bonds for offer and sale under Blue Sky or other state securities laws or regulations;

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

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

Section 5. Representations, Covenants and Agreements of the Bond Placement Agent and the Purchasers

The Bond Placement Agent and the Purchasers represent to and covenant and agree with the Issuer, each as to itself only, that:

(a) The Bond Placement Agent and each Purchaser has been duly authorized to enter into this Agreement.

(b) The Bond Placement Agent each Purchaser shall comply with the San Francisco Business Tax Ordinance and shall, if not otherwise exempt from such ordinance, provide to the Commission a Business Tax Registration Certificate on or prior to the date hereof.

(c) The Bond Placement Agent and each Purchaser shall comply with Chapter 12B of the San Francisco Administrative Code, entitled "Nondiscrimination in Contracts," which is incorporated herein by this reference.

(d) The Bond Placement Agent and each Purchaser is not in material violation of, or in material breach of or in material default under, any applicable law, regulation, order or agreement to which it is a party or by which it is bound, which violation or breach would have a material adverse effect on its ability to execute, deliver and perform this Agreement.

(e) This Agreement, assuming due and legal execution and delivery thereof by, and validity against, the Issuer, when executed by the Bond Placement Agent and the Purchasers, will be a legal, valid and binding obligation of the Bond Placement Agent and each Purchaser enforceable in accordance with its terms, subject to valid bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally.

(f) The Bond Placement Agent represents and warrants to the Issuer that it has been duly authorized to enter into this Agreement and to act hereunder by and on behalf of the Borrowers.

Section 6. Representations and Warranties of Borrowers.

6.1 Each of the Affordable Borrower and the Market Borrower with respect to itself and not with respect to the other Borrower make the following representations and warranties to the Issuer, the Placement Agent and the Purchasers as of the date hereof, all of which will continue in effect subsequent to the purchase of the Bonds:

(a) The Affordable Borrower is, and at all times will be, a limited partnership, duly organized, validly existing and in good standing under the laws of the State and duly qualified, authorized and licensed under the laws of the State to transact business as a limited partnership for the purpose of owning and operating a multifamily housing facility in the State. The Market Borrower is, and at all times will be, a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware and duly qualified, authorized and licensed under the laws of the State to transact business as a limited liability company for the purpose of owning and operating a multifamily housing facility in the State. All partners, members and other entities that comprise each of the Borrowers and are included on the Borrowers' signature pages hereto (collectively, the "Partners"), are, and at all times will be organized, existing and in good standing under the laws of the State in which they are formed and are in good standing and duly qualified, authorized and licensed under the laws of the State, to the extent required by applicable law. There are no general partners of the Borrowers other than those reflected in the Borrowers' signature blocks.

(b) The Borrowers have, and on the Closing Date will have, full legal right, power and authority (i) to execute and deliver the Loan Documents and (ii) to consummate the transactions contemplated by this Agreement and the Loan Documents. The Partners have, and on the Closing Date will have, full legal right, power and authority to execute and deliver this Agreement and the other Loan Documents on behalf of the Borrowers.

(c) Prior to the acceptance hereof, the Borrowers have duly authorized the execution and delivery of this Agreement and the performance by the Borrowers of the obligations contained herein and prior to the Closing Date the Borrowers will have duly authorized the (i) execution and delivery of the Loan Documents, (ii) performance by the Borrowers of the obligations contained in

the Loan Documents, and (iii) consummation by the Borrowers of all transactions contemplated by the Loan Documents.

(d) All consents, approvals, authorizations or orders of, notices to, or filings, registrations or declarations with, any court or governmental authority, board, agency, commission or body having jurisdiction which are required on behalf of the Borrowers or for the execution and delivery by the Borrowers of this Agreement and the other Loan Documents or the consummation by the Borrowers of the transactions contemplated hereby or thereby have been obtained or will be obtained prior to the Closing Date.

(e) The Borrowers have not taken or omitted to take on or prior to the date hereof any action that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

(f) No legal action, suit, proceeding, inquiry or investigation at law or in equity (before or by any court, agency, arbitrator, public board or body or other entity or person) has been served upon either Borrower and none is threatened against or affecting either Borrower or any of the Partners or, to the knowledge of the Borrowers, any basis therefor (i) in any way affecting the organization and existence of the Borrowers, (ii) contesting or materially affecting the validity or enforceability of this Agreement or the other Loan Documents, (iii) contesting the powers of the Borrowers or their authority with respect to the Loan Documents, (iv) contesting the authority of the Partners to act on behalf of the Borrowers, as applicable, (v) wherein an unfavorable decision, ruling or finding would have a material adverse effect on (A) the operations or the financial position or condition of the Borrowers, (B) the due performance by the Borrowers of the Loan Documents as of the Closing Date, (C) the validity or enforceability of any of the Loan Documents, or (D) the transactions contemplated hereby or by any Loan Document or (vi) in any way contesting the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

(g) This Agreement is, and, when executed and delivered by the Borrowers and the other parties thereto, the Loan Documents will be, the legal, valid and binding obligations of the Borrowers, enforceable against the Borrowers in accordance with their respective terms, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

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

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

6.3 Any certificate signed by the Borrowers or the Partners and delivered to the Placement Agent, Bondholder Representative, Purchasers and/or the Issuer shall be deemed a representation and warranty by the Borrowers to the Placement Agent, Bondholder Representative, Purchasers and/or the Issuer as to the statements made therein.

Section 7. Covenants.

7.1 The Issuer hereby makes the following covenants with the Placement Agent and the Purchasers:

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

(b) Prior to the Closing, the Issuer will not create, assume or guarantee any indebtedness payable from, or pledge or otherwise encumber, the revenues, assets, properties, funds or interests which will be pledged pursuant to the Indenture and the other Issuer Documents.

(c) The Issuer will cause the Bonds to be delivered as specified by the Placement Agent in conjunction with the Closing.

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

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

7.2 Each of the Affordable Borrower and the Market Borrower with respect to itself and not with respect to the other Borrower, hereby make the following covenants with the Issuer, the Placement Agent and the Purchasers:

(a) Neither Borrower will take or omit to take any action which will in any way cause the proceeds of the Bonds to be applied in a manner other than as provided in the Indenture or which would cause the interest on the Bonds to be includable in the gross income of the holders thereof for federal income tax purposes.

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

(c) Neither Borrowers shall violate or breach any other covenants contained in the Loan Documents.

Section 8. Conditions of Closing.

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

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

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

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

8.2 In addition to the conditions set forth in Section 7.1, the obligations of the Purchasers to consummate at the Closing the transactions contemplated hereby are subject to receipt by the Purchasers of the following items:

(a) An opinion of Bond Counsel, dated the Closing Date and addressed to each of the Purchasers, substantially in the form set forth in Exhibit C;

(b) An opinion of counsel to the Issuer (addressed to each of the Purchasers and the Trustee) or certificate of the Issuer, satisfactory in form and substance to the Purchasers, dated the Closing Date and covering the points identified in Exhibit D;

(c) An opinion or opinions of counsel to the Borrowers, the Partners and the Guarantor, addressed to the Issuer and each of the Purchasers dated the Closing Date and substantially in the form set forth in Exhibit E;

(d) A certificate or certificates of the Borrowers, dated the Closing Date and signed by the Partners or Members, as applicable, in form and substance satisfactory to the Purchasers and Bond Counsel, respecting certain tax matters as may be reasonably required by Bond Counsel to enable it to give its opinion;

(e) An opinion of counsel to the Trustee or Trustee's certificate addressed to each of the Purchasers, covering the points identified in Exhibit F;

(f) A properly completed and executed IRS Form 8038;

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

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

8.3 If any of the conditions set forth in Sections 7.1 or 7.2 have not been met on the Closing Date, the Purchasers may, at their sole option, terminate this Agreement or proceed to Closing upon waiving any rights under this Agreement with respect to any such condition. If this Agreement is terminated pursuant to this Section, no party will have any rights or obligations to any other party, except as provided in Section 10.

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

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

(b) Each Borrower will deliver or cause to be delivered to the Purchasers at the place set forth in Item 4 in Exhibit B, or at such other place or places as the parties hereto may mutually agree upon, the materials described in Section 7.2.

(c) The Purchasers or their designees will deliver to the Trustee, for the account of the Issuer or as the Issuer directs, an amount equal to the purchase price of the initial installments of the Bonds as set forth in Item 2 of Exhibit B by wire transfer to the Trustee, in immediately available federal funds.

Section 10. Termination of Agreement. The Bondholder Representative may terminate this Agreement, without liability therefor, by notifying you at any time prior to the Closing if:

(a) Any legislation is introduced in, or enacted by, the United States Congress, or shall have been reported out of committee or be pending in committee, or any decision is rendered by any court of competent jurisdiction, or any ruling or regulation, temporary regulation, release or announcement shall have been issued or proposed by the Treasury Department of the United States, the Internal Revenue Service, or any other agency of the government of the United States that, in the reasonable judgment of the Bondholder Representative, has the purpose or effect of subjecting interest on the Bonds to inclusion in gross income for purposes of federal income taxation; or

(b) Any legislation is introduced in, or enacted by the United States Congress or any action is taken by, or notice issued by or on behalf of, the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, that, in the opinion of counsel to the Bondholder Representative has the effect (A) of requiring (i) the contemplated

purchase of the Bonds, or the Indenture or the Loan Agreement to be registered under the 1933 Act or the Indenture to be qualified under the 1939 Act, or (ii) any governmental consents, approvals, orders or authorizations for the consummation of the transactions contemplated by this Agreement, the Issuer Documents or the Loan Documents which cannot, without undue expense, be obtained prior to the Closing Date, or (B) that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or otherwise, is or would be in violation of the federal securities laws as amended and then in effect.

(c) In the judgment of the Bondholder Representative it becomes impracticable to market, purchase or sell the Bonds or to enforce commitments for the purchase of Bonds because (A) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; (B) a general banking moratorium shall have been established by federal, New York or California authorities or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred such as to make it impractical or inadvisable to proceed with the purchase of the Bonds as contemplated hereby; or (C) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national or international emergency or war or other calamity or crisis the effect of which is to materially affect the ability of the Purchasers to purchase or sell the Bonds; or

(d) Any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance or sale of the Bonds or in any way contesting any authority or security for or the validity of the Bonds, or the existence or powers of the Issuer; or

(e) Legislation shall have been introduced in or enacted by the legislature of the State that would, in the reasonable judgment of the Bondholder Representative, adversely affect the security for the Bonds; or

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

(g) There shall have occurred any outbreak or material escalation of hostilities or other calamity or crisis, the effect of which on the financial markets of the United States is such as to make it, in the reasonable opinion of the Bondholder Representative, impractical to enforce commitments for the purchase of the Bonds; or

(h) The Issuer shall fail to execute and deliver or to obtain one or more filings, consents, approvals, authorizations, registrations or other action requested by the Bondholder Representative to be obtained or taken by the Issuer and such failure is based upon the Issuer's conclusion that such action is unduly burdensome and the Bondholder Representative shall reasonably conclude that, as a result of the Issuer's failure to so execute and deliver or to obtain what has been requested by the Bondholder Representative, the purchase of the Bonds will be materially adversely affected.

Section 11. Fees and Expenses; Costs of Issuance. All costs, fees and expenses incident to the performance of the Issuer's, Placement Agent's, Purchasers' and Borrowers' obligations in connection with the issuance and purchase of the Bonds, including the reasonable expenses of counsel, as well as expenses relating to the meals, transportation, lodging, and entertainment incidental to implementing this

Agreement, shall be paid by the Borrowers to the Trustee by wire transfer of immediately available funds on the Closing Date.

Section 12. Indemnification by Borrower.

(a) The Borrowers agree to pay, defend, protect, indemnify, save and hold harmless the Issuer, the Placement Agent, each Purchaser and each affiliate, member, officer, director, official, employee and agent of the Issuer, the Placement Agent, each Purchaser and each person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (referred to herein as an “Indemnified Party” and collectively as the “Indemnified Parties”), against any and all liabilities, losses, damages, costs, expenses (including reasonable attorneys’ fees), causes of action (whether in contract, tort or otherwise), suits, claims, demands and judgments of any kind, character and nature (collectively referred to herein as the “Liabilities”) caused by or directly or indirectly arising from or in any way relating to the Bonds, the Project, the loan of the proceeds of the Bonds, the Loan Agreement, the Indenture, this Agreement or any document related to the Bonds, the Project, the loan of the proceeds of the Bonds (the “Transaction Documents”) or any transaction or agreement, written or oral, pertaining to the foregoing; provided, however, that the Borrowers shall not be required to indemnify, save or hold harmless (a) the Issuer from any claims, costs, fees, expenses or liabilities arising solely from the willful misconduct of the Issuer and (b) any other Indemnified Party for losses caused by the gross negligence or the willful misconduct of the Indemnified Party.

(b) The Borrowers also agree to pay, defend, protect, indemnify, save and hold harmless the Placement Agent and each Purchaser and each affiliate, member, officer, director, official, employee and agent of the Placement Agent and each Purchaser from and against the Liabilities directly or indirectly arising from or relating to (i) any errors or omissions of any nature whatsoever contained in any legal proceedings or other official representation or inducement made by the Issuer pertaining to the Bonds, the Borrowers or the Project and (ii) any fraud or misrepresentations or omissions contained in the proceedings of the Issuer pertaining to the financial condition of the Borrowers.

(c) The Indemnified Party shall, in the event of any claim, suit, action or proceeding against it with respect to which indemnity may be sought on account of any indemnity agreement by the Borrowers contained herein, promptly give written notice thereof to the Borrowers. When such notice is given, the Borrowers shall be entitled to participate, at their own expense, in the defense of, or if it so elects, to assume the defense of, such claim, suit, action or proceeding, in which event such defense shall be conducted by counsel chosen by the Borrowers, provided that each Indemnified Party shall have the right to review and approve or disapprove any compromise or settlement which approval shall not be unreasonably withheld, conditioned or delayed. If the Borrowers shall elect not to assume such defense, it shall assume the payment of all expenses related thereto. Notwithstanding the above, each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and to participate in the investigation and defense thereof, provided that the Borrowers shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the Borrowers to represent the Indemnified Party would present such counsel with a conflict of interest, (ii) the actual or potential defendants in, or targets of, any such action include both the Indemnified Party and the Borrowers and the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it and/or other Indemnified Parties that are different from or additional to those available to the Borrowers, (iii) the Borrowers shall not have employed counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party within a reasonable time after notice of the institution of such action, or (iv) the Borrowers shall authorize the Indemnified Party to employ separate counsel at the expense of the Borrowers. Each and every Indemnified Party shall have the right to

compromise, settle or conclude any claim, action or proceeding against it with the written consent of the Borrowers, which consent shall not be unreasonably withheld. The foregoing notwithstanding, in the event that the Borrowers shall assume such defense and any Indemnified Party or Parties shall be advised by independent legal counsel that counsel selected by the Borrowers is not fully and adequately protecting such party or parties and representing the interests of such party or parties and the Borrowers have been given written notice thereof and a reasonable opportunity to cure or find other counsel acceptable to the Indemnified Parties, any such Indemnified Party or Parties shall have the right to conduct its own defense against any such claim, suit, action or proceeding in addition to or in lieu of any defense conducted by the Borrowers, and the Indemnifying Party shall indemnify and hold harmless such Indemnified Party or Parties against and from any and all suits, claims, damages, liabilities or expenses whatsoever, including reasonable fees and expenses of counsel selected by such Indemnified Party or Parties incurred by and arising out of or in connection with any such claim, suit, action or proceeding.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnity provided for in paragraph (a) or (b) of this Section 11 is for any reason held to be unavailable, the Borrowers and the Indemnified Party shall contribute proportionately to the aggregate Liabilities to which the Borrowers and the Indemnified Party may be subject, so that the Indemnified Party is responsible for that portion represented by the percentage that the fees paid by the Borrowers to the Indemnified Party in connection with the issuance and administration of the Bonds bear to the aggregate offering price of the Bonds, with the Borrowers responsible for the balance; provided, however, that in no case shall the Indemnified Party be responsible for any amount in excess of the fees paid by the Borrowers to the Indemnified Party in connection with the issuance and administration of the Bonds.

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

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

Section 13. Miscellaneous.

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

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

If to Citibank: Citibank, N.A.
390 Greenwich Street, 2nd Floor
New York, New York 10013
Attention: Transaction Management Group
Deal ID# 23410
Facsimile: (212) 723-8209

And to: Citibank, N.A.
325 East Hillcrest Drive, Suite 160
Thousand Oaks, California 91360
Attention: Operations Manager/Asset Manager
Deal ID# 23410
Facsimile: (805) 557-0924

And to: 390 Greenwich Street, 2nd Floor
New York, New York 10013
Attention: Account Specialist
Deal ID# 23410
Facsimile: (212) 723-8209

Following the Conversion
Date, with a copy to: Citibank, N.A.
c/o Berkadia Commercial Servicing Department
323 Norristown Road, Suite 300
Ambler, Pennsylvania 19002
Attention: Client Relations Manager
Deal ID # 23410
Facsimile: (215) 328-0305

And a copy of any notices of
default sent to: Citibank, N.A.
388 Greenwich Street
New York, New York 10013
Attention: General Counsel's Office
Deal ID # 23410
Facsimile: (646) 291-5754

If to DB: Deutsche Bank AG, New York Branch
60 Wall Street, 3rd floor
Attention: Municipal Capital Markets
New York, New York 10005
Facsimile: (917) 338-4032

If to the Issuer: City and County of San Francisco
City Hall, 1 Dr. Carlton B. Goodlett Place, Rm. 316
San Francisco, California 94102
Attention: City Controller

With copies to:

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

And

City and County of San Francisco
Mayor's Office of Housing and Community
Development
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attention: Director

And

Office of the City Attorney
City Hall, 1 Dr. Carlton B. Goodlett Place, Rm. 234
San Francisco, California 94102
Attention: Finance Team

If to the Borrowers:

to each of the Affordable Borrower and the
Market Borrower prior to the Release Date, and
thereafter only to the Market Borrower, unless the
notice is otherwise intended to be to or include the
Affordable Borrower, and then to (or also to) the
Affordable Borrower

If to the Affordable Borrower:

500 Folsom, L.P.
c/o Essex 500 Folsom, LLC
1100 Park Place
Suite 200
San Mateo, California 94403
Attention: Legal Department (Jordan Ritter and Anika
Fischer)
Fax: (650) 655-7811

And to:

500 Folsom, L.P.
c/o Essex 500 Folsom, LLC
1100 Park Place
Suite 200
San Mateo, California 94403
Attention: Mark Mikl
Fax: (650) 655-7810

And to:

BRIDGE 500 Folsom LLC
c/o BRIDGE Housing Corporation
600 California Street, Suite 900
San Francisco, California 94108
Attn: Ann Silverberg, Executive Vice President
Fax: (415) 495-4898

And to: BRIDGE 500 Folsom LLC
c/o BRIDGE Housing Corporation
600 California Street, Suite 900
San Francisco, California 94108
Attn: Rebecca V. Hlebasko, General Counsel
Fax: (415) 495-4898

and with a copy to (which shall not constitute notice to the Borrowers): Chernove & Associates, Inc.
16027 Ventura Boulevard., Suite 660
Encino, California 91436
Attention: Sheldon B. Chernove, Esq.
Fax: (818) 377-8102

If to the Market Borrower: Block 9 MRU Residential, LLC
1100 Park Place, Suite 200
San Mateo, California 94403
Attention: Legal Department (Jordan Ritter and Anika Fischer)
Fax: (650) 655-7811

and to: Block 9 MRU Residential, LLC
1100 Park Place, Suite 200
San Mateo, California 94403
Attention: Mark Mikl
Fax: (650) 655-7810

and with copy to (which shall not constitute notice to Borrower): Chernove & Associates, Inc.
16027 Ventura Blvd., Suite 600
Encino, California 91436
Attention: Sheldon B. Chernove, Esq.
Fax: (818) 377-8102

and prior to the Release Date with a copy (which shall not constitute notice to the Borrowers) to: the Investor Limited Partner

If to the Investor Limited Partner: Wells Fargo Affordable Housing Community
Development Corporation
MAC D1053-170
301 S. College Street
Charlotte, North Carolina 28288
Attention: Director of Tax Credit Asset Management

with a copy to: Sidley Austin LLP
555 West Fifth Street, Suite 4000
Los Angeles, California 90013
Attention: Cynthia Christian, Esq.

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

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

13.4 This Agreement may not be amended without the prior written consent of the Issuer, the Placement Agent, the Borrowers and the Purchasers.

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

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

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

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

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

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

13.11 The Issuer and the Borrowers each acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction among the Issuer, the Placement Agent, the Borrowers, and the Purchasers, (ii) in connection therewith and with the

discussions, undertaking and procedures leading up to the consummation of such transaction, the Placement Agent and the Purchasers are and have been acting solely as principals and is not acting as the agent, advisor, or fiduciary of the Issuer or the Borrowers, (iii) none of the Placement Agent or the Purchasers has assumed an advisory or fiduciary responsibility in favor of the Issuer or the Borrowers with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Placement Agent or either of the Purchasers has provided other services or is currently providing other services to the Issuer or the Borrowers on other matters) and none of the Placement Agent or the Purchasers has an obligation to the Issuer or the Borrowers with respect to the offering contemplated hereby except the obligations expressly set forth in this Agreement and (iv) the Issuer and the Borrowers have consulted their own legal, financial and other advisors to the extent they deem appropriate.

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

[Signature pages start on next page]

[Counterpart Signature Page to the Lower 500 Folsom Residential Bond Purchase Agreement]

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

HILLTOP SECURITIES INC.

By: _____
Mark A. McGruder, Managing Director

[Signatures continue on next page]

[Counterpart Signature Page to the Lower 500 Folsom Residential Bond Purchase Agreement]

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

By: _____
Authorized Signatory

Approved as to Form:

DENNIS J. HERRERA
City Attorney

By: _____
Deputy City Attorney

[Signatures continue on next page]

[Counterpart Signature Page to the Lower 500 Folsom Residential Bond Purchase Agreement]

CITIBANK, N.A.,
a national banking association

By: _____
Name: _____
Title: _____

[Signatures continue on next page]

[Counterpart Signature Page to the Lower 500 Folsom Residential Bond Purchase Agreement]

**DEUTSCHE BANK AG, NEW YORK
BRANCH**

By: _____
Name: _____
Title: _____

[Signatures continue on next page]

500 FOLSOM, L.P.,
a California limited partnership,

By: Essex 500 Folsom, LLC,
a Delaware limited liability company,
its Administrative General Partner

By: Essex Portfolio, L.P.,
a California limited partnership
its Authorized Signatory

By: Essex Property Trust, Inc.,
a Maryland corporation
its General Partner

By: _____
Name: _____
Title: _____

By: BRIDGE 500 Folsom LLC,
a California limited liability company,
its Managing General Partner

By: MCB Family Housing, Inc.,
a California nonprofit public benefit corporation
its sole member

By: _____
Ann Silverberg, Vice President

[Signatures continue on next page]

[Counterpart Signature Page to the Lower 500 Folsom Residential Bond Purchase Agreement]

BLOCK 9 MRU RESIDENTIAL, LLC
a Delaware limited liability company

By: Essex Portfolio, L.P.,
a California limited partnership,
its Authorized Signatory

By: Essex Property Trust, Inc.,
a Maryland corporation,
its General Partner

By: _____
Name: _____
Title: _____

SCHEDULE I

BOND DRAW-DOWN DATES AND AMOUNTS

<u>Drawdown Date</u>	<u>Notional Drawdown Citibank</u>	<u>Notional Drawdown DB</u>	<u>Notional Outstanding Citibank</u>	<u>Notional Outstanding DB</u>	<u>Aggregate Notional Outstanding</u>
	\$				\$

EXHIBIT A – GLOSSARY OF TERMS

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

“Affordable Borrower” means 500 Folsom, L.P., a California limited partnership, and its permitted successors and assigns under the Bond Documents to which it is a party.

“Affordable Project” means 109 rental housing units (including one manager’s unit), 108 of which will be affordable to low and moderate income tenants.

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

“Bond Counsel” means Quint & Thimmig LLP.

“Bonds” means the Issuer’s Multifamily Housing Revenue Bonds, Series 2016E (Lower 500 Folsom Residential) issued and delivered in the original principal amount of \$132,000,000.

“Borrowers” means, collectively, the Affordable Borrower and the Market Borrower; provided, however, that from and after the Release Date, the term “Borrowers” shall mean only the Market Borrower.

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

“Closing Date” means December __, 2016, the date on which the Closing takes place.

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

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

“Constitution” means the Constitution of the State.

“Guarantor” means the party or parties making the Exceptions to Non-Recourse Guaranty dated December 1, 2016 and the [Completion Guaranty] dated [Dated Date] in connection with the issuance of the Bonds;

“Indenture” means that certain Indenture of Trust dated as of December 1, 2016 between the Issuer and the Trustee.

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

“Initial Project” means the multifamily rental housing project identified as “Lower 500 Folsom Residential,” consisting of 311 housing units (including three manager’s units), in the first 21 floors of a 42 floor multifamily housing development located at 500 Folsom Street in the City.

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

“Issuer Documents” means, collectively, the Indenture, the Loan Agreement, this Agreement, the Assignment of Deed of Trust and Loan Documents dated as of December 1, 2016 executed by the Issuer and all other agreements, documents and certificates as may be required to be executed and delivered by the Issuer to carry out, give effect to, and consummate the transactions contemplated by this Agreement or by the other Issuer Documents.

“Loan Agreement” means that certain Loan Agreement dated as of December 1, 2016 between the Issuer and the Borrowers.

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

“Market Borrower” means Block 9 MRU Residential, LLC, a Delaware limited liability company, and its permitted successors and assigns under the Bond Documents to which it is a party.

“Market Project” means 202 rental housing units (including two manager’s units), 200 of which will be rented at market rates.

“Mortgage” means that certain Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing executed by the Borrowers and granting a first lien on the Project for the benefit of the Trustee (by assignment from the Issuer), including any amendments and supplements thereto.

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

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

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

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

“Partners” means all partners, members and other entities that comprise the Borrower and are included on the Borrower’s signature page to this Agreement.

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

“Project” means, prior to the Release Date, the Initial Project, and from and after the Release Date, the Market Project.

“Purchasers” means Citibank, N.A., a national banking association, or its designee or nominee, and Deutsche Bank AG, New York Branch or its designee or nominee, together with their respective permitted successors and assigns hereunder.

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

“Release Date” means the date on which the Affordable Project is released from the lien of the Deed of Trust, the Affordable Borrower is released as an obligor under the Loan Documents and all of the Release Conditions have been satisfied in accordance with the Loan Agreement.

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

“State” means the State of California.

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

EXHIBIT B – TERMS OF BONDS

1. Title of Bonds: \$132,000,000 City and County of San Francisco, California Multifamily Housing Revenue Bonds, Series 2016E (Lower 500 Folsom Residential)

2. Purchase Price: 100% of Aggregate Principal Amount.

3. Payment Related Terms:
 - (a) *Date of the Bonds:* December __, 2016.
 - (b) *Interest Payment Dates:* _____, 2016 and the first day of each month thereafter, or as set forth in the Indenture.
 - (c) *Aggregate Principal Amount:* \$132,000,000.
 - (d) *Maturity Date:* _____ 1, 2051
 - (e) *Interest Rates:* _____%
 - (f) *Redemption Provisions:*
 - (i) Mandatory Redemption: as set forth in the Indenture.
 - (ii) Optional Redemption: as set forth in the Indenture.

4. Logistics of Closing:
 - (a) *Time of Closing:* 12:00 noon, Place of Closing local time.
 - (b) *Date of Closing:* December __, 2016.
 - (c) *Place of Closing:* _____,
San Francisco, California.
 - (d) *Delivery of Bonds:* as directed by Placement Agent, subject to the provisions of Section 3 hereof.

EXHIBIT C – FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[Letterhead of Bond Counsel]

December __, 2016

Citibank, N.A.,
a National banking association
New York, New York

\$132,000,000
CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA MULTIFAMILY HOUSING REVENUE
BONDS, SERIES 2016E
(LOWER 500 FOLSOM RESIDENTIAL)

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

(1) The Bond Purchase Agreement dated December __, 2016 has been duly executed and delivered by, and constitutes the valid and binding agreement of, the Issuer.

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

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

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

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

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

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

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

EXHIBIT E – FORM OF BORROWER’S COUNSEL OPINION

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

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

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

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

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

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

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

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

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

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

1. Nondiscrimination; Penalties.

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

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

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

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

3. Tropical Hardwood and Virgin Redwood Ban. Under San Francisco Environment Code Section 804(b), the City urges the Bond Placement Agent not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

4. Alcohol and Drug-Free Workplace. The City reserves the right to deny access to, or require the Bond Placement Agent to remove from, City facilities personnel of such Bond Placement Agent who the Commission has reasonable grounds to believe has engaged in alcohol abuse or illegal drug activity which in any way impairs the City’s ability to maintain safe work facilities or to protect the health and well-being of City employees and the general public. The Commission shall have the right of final approval for the entry or re-entry of any such person previously denied access to, or removed from, City facilities. Illegal drug activity means possessing, furnishing, selling, offering, purchasing, using or being under the influence of illegal drugs or other controlled substances for which the individual lacks a

valid prescription. Alcohol abuse means possessing, furnishing, selling, offering, or using alcoholic beverages, or being under the influence of alcohol.

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

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

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

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

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

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

11. Nondisclosure of Private, Proprietary or Confidential Information. If this Purchase Contract requires the City to disclose “Private Information” to a Bond Placement Agent within the meaning of San Francisco Administrative Code Chapter 12M, the Bond Placement Agent shall use such information consistent with the restrictions stated in Chapter 12M and in this Purchase Contract and only as necessary in performing the services provided under the Purchase Contract. The Bond Placement Agent is subject to the enforcement and penalty provisions in Chapter 12M.

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

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

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

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

14. Conflict of Interest. By entering into the Purchase Contract, the Bond Placement Agent certifies that it does not know of any fact which constitutes a violation of Section 15.103 of the City’s

Charter; Article III, Chapter 2 of City's Campaign and Governmental Conduct Code; Title 9, Chapter 7 of the California Government Code (Section 87100 et seq.), or Title 1, Division 4, Chapter 1, Article 4 of the California Government Code (Section 1090 et seq.), and further agrees promptly to notify the City if it becomes aware of any such fact during the term of this Purchase Contract.

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

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

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

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

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