

BOND PURCHASE AGREEMENT

November ____, 2009

City of San José, California
Finance Department
200 East Santa Clara Street, 13th Floor Tower
San José, California 95113
Attention: Assistant Finance Director

Brookwood Terrace Family Apartments, L.P.
c/o Roem Development Corporation
1650 Lafayette Street
Santa Clara, California 95050

\$13,600,000
CITY OF SAN JOSE, CALIFORNIA
VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS
(BROOKWOOD TERRACE FAMILY APARTMENTS),
SERIES 2009B

Ladies and Gentlemen:

The undersigned, RBC Capital Markets Corporation (the “*Underwriter*”), acting on its own behalf and not as fiduciary or agent for you, hereby offers to enter into this Bond Purchase Agreement (the “*Purchase Contract*”) with the City of San José, California (the “*Issuer*”) and Brookwood Terrace Family Apartments, L.P., a California limited partnership, (the “*Borrower*”), for the sale by the Issuer and purchase by the Underwriter of the above-referenced Bonds (the “*Bonds*”). This offer is made subject to the written acceptance hereof by the Issuer and the Borrower and delivery of such acceptance to the Underwriter (in the form of one or more executed counterparts hereof) at or prior to 5:00 p.m., Eastern Daylight time, on the date hereof. Upon such acceptance, this Purchase Contract will be in full force and effect in accordance with its terms and will be binding upon the Issuer, the Underwriter and the Borrower. Capitalized terms not otherwise defined herein will have the meanings given them in the Indenture (as defined below).

The Bonds are being issued pursuant to a Trust Indenture, dated as of November 1, 2009 (the “*Indenture*”), between the Issuer and Wells Fargo Bank, National Association, as trustee (the “*Trustee*”), Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the “*Act*”) and a resolution adopted by the Issuer on November 10, 2009 (the “*Resolution*”), for the purpose of financing the development of an 84-unit multifamily rental housing development to be located in the City of San José, California (the “*Project*”). Pursuant to a Financing

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Item No.: 2.a.3con5

**DRAFT--Contact the Office of the City Clerk at (408)535-1260 or
CityClerk@sanjoseca.gov for final document.**

Agreement, dated as of November 1, 2009 (the “*Financing Agreement*”) among the Issuer, the Borrower and the Trustee, proceeds of the Bonds will be loaned by the Issuer to the Borrower (the “*Bond Mortgage Loan*”). The Borrower’s obligations to repay the Bond Mortgage Loan will be secured pursuant to a First Multifamily Fee Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (California) and a First Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (California), each dated as of November 1, 2009 (collectively, the “*Bond Mortgage*”) executed by the City of San José Financing Authority and the Borrower, respectively, for the benefit of the Issuer and the Trustee, in each case with respect to the Project. The Bond Mortgage Note (the “*Bond Mortgage Note*”) executed and delivered to the Issuer by the Borrower and the Bond Mortgage will be assigned by the Issuer to the Trustee to secure the Bonds.

Payments due under the Bonds are secured by a pledge of the Trust Estate pursuant to the Indenture. In addition, payments due under the Bonds are secured, to the extent described therein, by payments due on the Bond Mortgage Loan, the principal of, the interest on and the Purchase Price of the Bonds will be secured by a letter of credit (the “*Letter of Credit*”) issued by JPMorgan Chase Bank, N.A. (the “*Bank*”), until Conversion, and thereafter by a Credit Enhancement Agreement issued by Freddie Mac (the Letter of Credit and the Credit Enhancement Agreement, together with any Alternate Credit Facility, are referred to collectively as the “*Credit Facility*” and the Bank and Freddie Mac, together with the provider of any Alternate Credit Facility, are referred to as the “*Credit Facility Provider*”). So long as any Bonds are outstanding, the Bonds shall be secured by the Credit Facility or an Alternate Credit Facility satisfying the requirements of the Financing Agreement, except as otherwise provided in the Indenture with respect to Purchased Bonds. The Bonds are special limited obligations of the Issuer, and payments of the Bonds are secured only by the Trust Estate pursuant to the terms of the Indenture and the above-referenced Credit Facility and are not a general obligation of the Issuer.

The Regulatory Agreement and Declaration of Restrictive Covenants, dated as of November 1, 2009 (the “*Regulatory Agreement*”), among the Borrower, the Trustee and the Issuer, imposes certain requirements on the Borrower with respect to the Act and the tax-exempt status of the Bonds under the Internal Revenue Code of 1986, as amended (the “*Code*”).

Section 1. Subject to the terms and conditions and in reliance on the representations, warranties and covenants hereinafter set forth, the Underwriter hereby agrees to purchase from the Issuer and the Issuer hereby agrees to sell to the Underwriter on November __, 2009 (the “*Closing*”), all (but not less than all) of the Bonds at the purchase price of par. For its services, the Underwriter will be paid by the Borrower a fee equal to ___% of the principal amount of the Bonds, plus certain out of pocket expenses.

Section 2. The Bonds described in the Indenture, (i) will mature on June 1, 2047 (ii) will bear interest at a Variable Rate calculated as provided in the Indenture (subject to

adjustment to a Reset Rate or a Fixed Rate as described in the Indenture), and (iii) are subject to redemption as provided in the Indenture. The Bonds and the interest thereon are limited obligations of the Issuer payable solely from the Trust Estate under the Indenture, including, without limitation, its interest in payments received under the Bond Mortgage Loan and the Credit Facility. The Indenture, the Financing Agreement, the Intercreditor Agreement and the Regulatory Agreement are referred to herein as the “Issuer Documents.” The Financing Agreement, the Bond Mortgage Note, the Bond Mortgage and the Regulatory Agreement are referred to herein as the “Borrower Documents.”

Section 3. The Borrower has caused to be prepared an Official Statement dated November __, 2009 (such Official Statement, including the cover page and all appendices, exhibits, reports and statements included therein or attached thereto and any amendments and supplements thereto that may be authorized by the Issuer and the Borrower for use with respect to the Bonds being herein called the “*Official Statement*”), and the Issuer and the Borrower authorized the use of the Official Statement by the Underwriter prior to the date hereof in connection with the offering of the Bonds. On or before the date which is seven (7) business days after the date hereof, the Borrower agrees to deliver to the Underwriter, at the sole cost and expense of the Borrower, as many copies of the Official Statement as the Underwriter reasonably requests as necessary to comply with paragraph (b)(4) of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “*Rule*”). The Issuer and the Borrower hereby consent to the use of copies of the Official Statement (once delivered) and other pertinent documents in connection with the offering and sale of the Bonds.

Section 4. If, at any time prior to the earlier of (i) receipt of notice from the Underwriter that final offering statements are no longer required to be delivered under the Rule or (ii) 30 days after the end of the underwriting period, any event occurs with respect to it or the Project as a result of which the Official Statement might include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Underwriter, the Issuer, or the Borrower, as appropriate, will promptly notify all the other parties thereof in writing. The Borrower will pay for preparation and delivery to the Underwriter and the Issuer of as many copies of an amendment or supplement, in form and substance reasonably acceptable to the Underwriter, as are necessary to correct any untrue statement or omission. Unless otherwise notified in writing by the Underwriter on or prior to the date of the Closing, the Issuer and the Borrower can assume that the “end of the underwriting period” for the Bonds for purposes of the Rule is the date of the Closing. In the event such notice is given in writing by the Underwriter, the Underwriter agrees to notify the Issuer and the Borrower in writing following the occurrence of the “end of the underwriting period” (as defined in the Rule) for the Bonds identified in such notice. The “end of the underwriting period” as used herein shall mean the date of the Closing or such later date as to which notice is given by the Underwriter in accordance with the preceding sentence.

Section 5. The Issuer hereby represents and warrants to and covenants with the Underwriter as follows:

(a) The Issuer is a municipal corporation and charter city duly organized and existing under the laws of the State of California (the “*State*”).

(b) To the best of the Issuer’s knowledge after due inquiry, no consent, approval, authorization or order of any court or governmental body is required for the performance by the Issuer of its obligations under this Purchase Contract or the Issuer Documents, except such as have already been obtained or will be obtained on or prior to Closing or as may be required under the state securities or “Blue Sky” laws in connection with the purchase and distribution of the Bonds by the Underwriter. The Issuer agrees to cooperate with the Underwriter and its counsel (at the Underwriter’s expense) in any endeavor to qualify the Bonds for offering and sale under the securities or “Blue Sky” laws of such jurisdictions of the United States of America as the Underwriter may request; provided that in no event will the Issuer be obligated to take any action that would subject it to any cost, expense or service of process in any state where it is not now so subject, nor will the Issuer be required to qualify to do business in any other jurisdiction.

(c) Neither the execution or delivery of the Bonds, the Issuer Documents, or this Purchase Contract, nor compliance with the provisions hereof or thereof by the Issuer conflicts with or will result in a breach of or default under (i) any indenture, mortgage, commitment, note or other agreement or instrument to which the Issuer is a party or by which it is bound, (ii) the Act or any judgment, order or decree of any court having jurisdiction over the Issuer or (iii) to the best of the Issuer’s knowledge, any other law, rule, regulation or ordinance or judgment, order or decree of any court or governmental agency or body having jurisdiction over the Issuer or any of its activities or properties.

(d) (i) At or prior to the Closing, the Issuer will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds, and the performance of its obligations thereunder, (ii) the Issuer has full legal right, power and authority to enter into this Purchase Contract and to perform its obligations hereunder and to carry out and effectuate the transactions on its part contemplated hereby, and has full legal right, power and authority to enter into the Issuer Documents and to perform its obligations thereunder and to carry out and effectuate the transactions contemplated to be performed by it thereby, (iii) at or prior to the Closing, the Bonds and the Issuer Documents will have been duly authorized and (assuming due authorization, execution and delivery by the other parties thereto) when executed, will constitute valid and binding obligations of the Issuer enforceable in accordance with their respective terms against the Issuer, subject to equitable principles, bankruptcy, insolvency and similar laws and public policy limiting the right to indemnification and contribution, (iv) this Purchase Contract has

been duly executed and delivered by the Issuer and (assuming due authorization, execution and delivery by the other parties hereto) constitutes a valid and binding obligation of the Issuer, subject to equitable principles, bankruptcy, insolvency and similar laws and public policy limiting the right to indemnification and contribution.

(e) The information set forth in the Official Statement under the captions “THE ISSUER” and “LITIGATION – The Issuer” (the “*Issuer Information*”) as of the date thereof and at all times subsequent thereto up to and including the date of the Closing does not contain any untrue statement of a material fact or omit to state a material fact relating to the Issuer required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer (i) attempting to limit, enjoin or otherwise restrict or prevent the Issuer from functioning, or contesting or questioning the existence of the Issuer or the titles of the present officers of the Issuer to their offices or (ii) wherein an unfavorable decision, ruling or finding would adversely affect (A) the existence or powers of the Issuer, (B) the exclusion of interest on the Bonds from the gross income of the recipients thereof pursuant to the Code, or (C) the validity or enforceability of the Bonds, the Issuer Documents or this Purchase Contract. The Issuer has complied, and will at the Closing Date be in compliance, in all respects, with the Resolution and the Issuer Documents.

Section 6. The Borrower hereby represents and warrants to and covenants with the Underwriter and the Issuer as follows:

(a) The Borrower is a limited partnership duly organized, validly existing and in good standing under the laws of the State and is qualified to do business in the State.

(b) To the best of the Borrower’s knowledge, no consent, approval, authorization or order of any court or governmental body is required for the consummation by the Borrower of the transactions contemplated by this Purchase Contract and the Borrower Documents (except such as have already been obtained or will be obtained on or prior to Closing with respect to the Borrower Documents and when required with respect to the other transactions contemplated by this Purchase Contract); *provided* that the Borrower makes no representation, warranty or covenant with respect to any federal or state securities or “Blue Sky” laws in connection with the purchase and distribution of the Bonds by the Underwriter.

(c) Neither the execution and delivery of the Borrower Documents or this Purchase Contract, nor compliance with the provisions thereof and hereof by the

Borrower conflicts in any material respect with or will result in a breach of or default under its partnership agreement or under any indenture, mortgage, commitment, note or other agreement or instrument to which the Borrower is a party or by which it is bound, or to the best of the Borrower's knowledge, any existing law, rule, regulation or ordinance or judgment, order or decree of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities or properties.

(d) (i) The Borrower has, and at the date of the Closing will have, full legal right, power and authority to enter into this Purchase Contract and to perform its obligations hereunder and to carry out and effectuate the transactions contemplated hereby, and at the date of the Closing will have full legal right, power and authority to enter into the Borrower Documents and to perform its obligations thereunder and to carry out and effectuate the transactions contemplated to be performed by it thereby and by the Official Statement, (ii) at or prior to the Closing, the Borrower Documents will have been duly authorized by the Borrower and (assuming due authorization, execution and delivery by the other parties thereto) when executed, will constitute valid and binding obligations of the Borrower enforceable in accordance with their respective terms against the Borrower, subject to equitable principles, bankruptcy, insolvency and similar laws and applicable securities laws and public policy limiting the right to indemnification and contribution, and (iii) this Purchase Contract has been duly authorized, executed and delivered by the Borrower and (assuming due authorization, execution and delivery by the other parties thereto) constitutes a valid and binding obligation of the Borrower, subject to equitable principles, bankruptcy, insolvency and similar laws and applicable securities laws and public policy limiting the right to indemnification and contribution.

(e) The information set forth in the Official Statement regarding the Borrower or the Project, including the information under the captions "THE PROJECT AND THE PRIVATE PARTICIPANTS" and "LITIGATION – THE BORROWER" in the Official Statement (the "*Borrower Information*") as of the date thereof and at all times subsequent thereto up to and including the date of the Closing does not and will not contain any untrue statement of a material fact or omit to state a material fact relating to the Project and the Borrower required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) Between the date of this Purchase Contract and the Closing, the Borrower will not, except as described in or contemplated by the Official Statement, incur any material liabilities, direct or contingent, nor will there be any adverse change of a material nature within the control of the Borrower in the financial position, results of operations or financial condition of the Borrower, the effect of either of which would be to materially adversely affect the ability of the Borrower to perform its obligations under the Borrower Documents.

(g) Except as disclosed in writing to the Underwriter and the Issuer, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the Borrower's knowledge, threatened against the Borrower (or, to the knowledge of the Borrower, any meritorious basis therefor) (i) attempting to limit, enjoin or otherwise restrict or prevent the Borrower from functioning or contesting or questioning the existence of the Borrower or (ii) wherein an unfavorable decision, ruling or finding would materially and adversely affect (A) the existence or powers of the Borrower, (B) the financial condition of the Borrower, (C) the exclusion of interest on the Bonds from the gross income of the recipients thereof pursuant to the Code, (D) the transactions contemplated by the Borrower Documents or hereby, or (E) the validity or enforceability of the Borrower Documents, this Purchase Contract or any agreement or instrument to which the Borrower is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the aforesaid documents.

Section 7. The Underwriter hereby represents and warrants to and covenants with the Issuer that it is, and at all times during the offer and sale of the Bonds will be, a member of the National Association of Securities Dealers ("NASD"), and is or will be licensed, to the extent required by applicable law, to offer and sell the Bonds in each jurisdiction in which it offers to sell the Bonds, and, to the best of its knowledge, is or will be in compliance with the rules and regulations of NASD and other regulatory agencies with jurisdiction over it or any of its activities.

Section 8. On or before 12:00 noon Eastern Standard Time, on the date of the Closing, the Borrower will deposit or cause to be deposited with the Trustee sufficient moneys to pay the costs of issuance for the Bonds.

Section 9. The closing of the sale of the Bonds will be held at 1:00 p.m., Eastern Standard Time, at the offices of Quint & Thimmig LLP ("*Bond Counsel*") on the date of the Closing or at such other place or time as have been mutually agreed upon by the Issuer, the Borrower, the Underwriter, the Bank and Freddie Mac. The Issuer will deliver the Bonds, or cause the Bonds to be delivered, to the Underwriter, or as directed by the Underwriter, duly executed by the Issuer and authenticated by the Trustee, and the Underwriter will accept such delivery and pay the purchase price of the Bonds by wire transfer to the Trustee for the account of the Issuer in immediately available funds. The Bonds will be initially delivered at the Closing as a single definitive bond registered in the name of Cede & Co., as nominee for the Depository Trust Company.

Section 10. The obligations of the Issuer hereunder are subject (i) to the performance by the Underwriter and the Borrower of their obligations to be performed hereunder at and prior to the Closing, (ii) to the accuracy of the representations and warranties in all material respects of the Borrower contained in the Borrower Documents and herein, as the case may be, as of the

date hereof and as of the time of the Closing, as if made at and as of the time of the Closing and (iii) the conditions set forth in Section 11 hereof.

Section 11. The obligations of the Underwriter hereunder are subject (i) to the performance by the Issuer and the Borrower of their obligations to be performed hereunder at and prior to the Closing, (ii) to the accuracy of the representations and warranties of the Issuer and the Borrower in all material respects contained in the Issuer Documents and Borrower Documents, respectively, and herein, as the case may be, as of the date hereof and as of the time of the Closing, as if made at and as of the time of the Closing, and (iii) to the following conditions, including the delivery by the Issuer of such documents as are contemplated hereby:

(a) At the time of the Closing, (i) the Official Statement, the Issuer Documents, the Borrower Documents, the initial Credit Facility, the Forward Commitment and this Purchase Contract must be in full force and effect and may not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter and the Issuer, (ii) the Issuer must have duly adopted and there must be in full force and effect such resolutions as, in the opinion of Bond Counsel, are necessary in connection with the transactions contemplated hereby, and (iii) the Borrower must have delivered the Official Statement to the Underwriter as contemplated by Section 3 hereof; and

(b) At or prior to the Closing, the Underwriter must have received the following documents:

(i) The approving opinion of Bond Counsel, dated the date of the Closing and substantially in the form attached as an Appendix to the Official Statement and a supplemental opinion of Bond Counsel addressed to the Underwriter and Freddie Mac, dated the date of Closing, substantially in the form attached as Exhibit A hereto;

(ii) A certificate dated the date of Closing, signed by the Issuer, in form and substance satisfactory to the Underwriter, to the effect that (1) the representations and warranties of the Issuer in the Issuer Documents and herein are true and correct in all material respects as if made as of the date of Closing, (2) the Resolution is in full force and effect and has not been amended, repealed or otherwise rescinded, and (3) the Issuer has performed or fulfilled in all material respects all agreements, obligations, and conditions contained in this Purchase Contract that are required to be performed or fulfilled by it before the date of Closing;

(iii) A certificate of the Borrower, dated the date of Closing, signed by the general partner of the Borrower, in form and substance satisfactory to the

Underwriter and the Issuer, to the effect that (1) the representations and warranties of the Borrower contained in the Borrower Documents and herein are true and correct in all material respects as of the date of Closing, as if made on and as of the date of Closing, (2) as of the Closing, to the Borrower's knowledge after due inquiry, no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a "Default" or "Event of Default" under the Indenture or any of the Borrower Documents and (3) the Borrower has performed or fulfilled in all material respects all agreements, obligations, and conditions contained in this Purchase Contract and the Borrower Documents that are required to be performed or fulfilled by it before the date of Closing;

(iv) A certificate, dated the date of Closing, signed by an authorized officer of Freddie Mac substantially in the form attached hereto as Exhibit D;

(v) An opinion of the counsel to the Borrower, dated the date of Closing, addressed to the Issuer, the Underwriter, the Servicer, the Bank and Freddie Mac in form and substance satisfactory to the Issuer, the Underwriter and Freddie Mac;

(vi) An opinion of Special Counsel to Freddie Mac, addressed to the Underwriter substantially in the form of Exhibit C hereto;

(vii) An opinion of counsel to the Underwriter, dated the date of Closing, concerning the Official Statement, in form and substance satisfactory to the Underwriter;

(viii) An opinion of counsel to the Trustee, dated the date of Closing, addressed to Freddie Mac, the Underwriter and the Issuer substantially in the form of Exhibit B hereto;

(ix) An opinion of counsel to the Bank, in form and substance satisfactory to the Underwriter;

(x) Executed copies of the Issuer Documents and the Borrower Documents, and certified copies of the Resolution and evidence of the delivery of the initial Credit Facility;

(xi) Written evidence that Moody's Investors Service, Inc. has issued and has not withdrawn a rating of "Aa1/P-1" for the Bonds;

(xii) Bond specimen;

(xiii) An executed copy of the Letter of Representation with The Depository Trust Company;

(xiv) A certificate as to arbitrage executed by a representative of the Issuer and the Borrower, dated the date of Closing, in a form acceptable to Bond Counsel;

(xv) Such additional legal opinions, certificates of proceedings, instruments and other documents as Bond Counsel, the Issuer, the Underwriter, or their counsel may reasonably request to evidence compliance by the Issuer and the Borrower with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of the Issuer and the Borrower herein contained, and the due performance or satisfaction by the Issuer and the Borrower, at or prior to the Closing, of all agreements then required to be performed and all conditions then required to be satisfied by the Issuer and the Borrower.

Section 12. The Underwriter will also have the right to cancel its obligation to purchase and accept delivery of the Bonds hereunder by notifying the Issuer and the Borrower, in writing, of its election to do so between the date hereof and the Closing if, on or after the date hereof and prior to the Closing:

(a) legislation is enacted or is actively considered for enactment by the Congress, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either the House or the Senate of the Congress by a committee of either to which such legislation has been referred for consideration, a decision by a court of the United States or the United States Tax Court is rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency is made or proposed to be made with respect to federal taxation upon revenues or other income of the general character to be derived by the Issuer or by any similar body, or other action or events have transpired that have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated in connection herewith that, in the reasonable opinion of the Underwriter, materially and adversely affects the market price of the Bonds or the market price generally of obligations of the general character of the Bonds; or

(b) any legislation, ordinance, rule or regulation is introduced in, enacted or is actively considered for enactment by any governmental body, department or agency, or by the Issuer, or a decision by any court of competent jurisdiction is rendered that, in the reasonable opinion of the Underwriter, materially and adversely affects the market price of the Bonds; or

(c) trading is suspended, or new or additional trading or loan restrictions are imposed, by the New York Stock Exchange or other national securities exchange or governmental authority with respect to obligations of the general character of the Bonds or a general banking moratorium is declared by federal, state or New York authorities; or

(d) any event has occurred or exists that, in the reasonable opinion of the Underwriter, either (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement, or (ii) is not reflected in the Official Statement and should be reflected therein in order to make the statements and information contained therein not misleading in any material respect; or

(e) any war or armed conflict involving the armed forces of the United States begins or materially escalates, or any other national or international crisis or emergency, including one relating to the effective operation of government or affecting the financial community, occurs or materially escalates, which, in the reasonable opinion of the Underwriter, materially and adversely affects the ability of the Underwriter to market or remarket the Bonds; or

(f) there occurs any change in the financial condition or affairs of the Borrower or the Credit Facility Provider, the effect of which is, in the reasonable judgment of the Underwriter, so material and adverse as to make it impracticable or inadvisable to proceed with the offering or delivery of the Bonds on the terms and in the manner contemplated herein or by the Official Statement; or

(g) there occurs a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against, any state of the United States of America, the effect of which, in the reasonable opinion of the Underwriter, materially and adversely affects the ability of the Underwriter to market the Bonds;

(h) any litigation is instituted, pending or threatened to restrain or enjoin the issuance, sale or delivery of the Bonds or in any way contesting or questioning the Issuer for or the validity of the Bonds or the money or revenues pledged to the payment thereof or any of the proceedings of the Issuer taken with respect to the issuance and sale thereof; or

(i) there occurs or any notice shall have been given of any intended downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to the Bonds or any rating of the Credit Facility Provider;

(j) any proceeding is pending or threatened by the Securities and Exchange Commission against the Issuer related to the Bonds, against the Borrower or against the

Credit Facility Provider which, in the Underwriter's judgment, acting in good faith, materially adversely affects the marketability of the Bonds;

(k) the Credit Facility Provider has defaulted under or rescinded, repudiated or terminated the Credit Facility (other than in accordance with its terms) or any material provision thereof, or the Issuer or the Trustee or the Underwriter has received written notice from the Credit Facility Provider that it is unable to perform its obligations thereunder;

(l) any court or governmental body having jurisdiction over the Credit Facility Provider has taken final action (not subject to appeal) materially adversely affecting or questioning the ability of the Credit Facility Provider to perform its obligations under the Credit Facility, and an Alternate Credit Facility not affected by such action has not been delivered to the Trustee;

(m) an Event of Default has occurred and is continuing under the Indenture;

(n) the Indenture, the Financing Agreement, the Forward Commitment or the Credit Facility has been amended without the consent of the Underwriter and such amendment materially adversely affects the Underwriter or, in the Underwriter's opinion, the marketability of the Bonds;

(o) any rating of the Bank shall have been downgraded or withdrawn, or placed on "Credit Watch" with negative implication or a similar credit alert by a national rating service which, in the Underwriter's professional opinion, materially adversely affects the marketability of the Bonds or the ability to remarket the bonds pursuant to the Remarketing Agreement.

Section 13. If the Issuer or the Borrower is unable to satisfy the conditions to the obligations of the Underwriter contained in this Purchase Contract, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds are terminated for any reason permitted by this Purchase Contract, this Purchase Contract will terminate and none of the Underwriter, the Borrower, or the Issuer will be under further obligation hereunder; except that the obligations to pay expenses, as provided in Section 16 hereof, will continue in full force and effect. The Underwriter may, in its discretion waive (in writing) any one or more of the conditions imposed by this Purchase Contract for its protection and proceed with the Closing.

Section 14. (a) To the full extent permitted by applicable law, the Borrower will indemnify and hold harmless, the Issuer, the Underwriter, and each member, officer, director, official or employee of the Issuer and the Underwriter, and each person, if any, who controls the Issuer or the Underwriter within the meaning of Section 15 of the Securities Act of 1933, as amended (the "1933 Act"), or Section 20 of the Securities Exchange Act of 1934, as amended

(the “1934 Act”) (each an “Indemnified Party and collectively “*Indemnified Parties*”), against any and all losses, claims, damages, expenses, actions or liabilities, joint or several, to which any of the Indemnified Parties may become subject under any statute or regulation or at common law or otherwise and, except as hereinafter provided, will reimburse the Indemnified Parties for any legal or other expense reasonably incurred by them or any of them in connection with investigating or defending any such losses, claims, damages, expenses or actions asserting liability, whether or not resulting in any liability, insofar as such losses, claims, damages, expenses, actions or liabilities arise out of or are based upon any untrue statement or misleading or alleged untrue statement or alleged misleading statement of a material fact contained in the Official Statement in the Borrower Information or any omission or alleged omission from the Official Statement in the Borrower Information of material fact or necessary to be stated therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that the Borrower shall not be required to indemnify an Indemnified Party for actions arising from the gross negligence or willful misconduct of such Indemnified Party.

(a) Promptly after receipt by an Indemnified Party of initial service of process in any action in respect of which indemnification may be sought pursuant to subsection (a) of this Section, the Indemnified Party in respect of which indemnification is sought will promptly notify the Borrower in writing; but the omission to so notify the Borrower will not relieve the Borrower from any liability which it may have to any Indemnified Party otherwise than under this Section nor affect any rights it may have otherwise than under this Section to participate in and/or assume the defense of any action brought against any Indemnified Party. In case such action is brought against any Indemnified Party, and such Indemnified Party notifies the Borrower of such initial service of process, the Borrower will be entitled to participate in, and, to the extent that it chooses so to do, to assume the investigation and defense thereof (including the employment of counsel reasonably satisfactory to the Indemnified Party), and the Borrower will assume the payment of all fees and expenses relating to such investigation and defense and will have the right to negotiate and consent to settlement thereof. Any one or more of the Indemnified Parties will have the right to employ separate counsel in any such action and to participate in the defense thereof, but after notice from the Borrower to such Indemnified Party of its election to assume the defense thereof, the fees and expenses of such separate counsel will be at the expense of such Indemnified Party unless (i) the employment of such counsel and the payment of such fees and expenses by the Borrower has been specifically authorized in writing by the Borrower, (ii) the Borrower has not employed counsel to have charge of the defense of such action within a reasonable time after receipt of a request by the Indemnified Party to assume the defense of the action, or (iii) counsel for such Indemnified Party or Parties has reasonably concluded that there are conflicting interests among the Indemnified Parties, in which case, the Borrower will not have the right to direct the defense of such action on behalf of such Indemnified Party and the reasonable fees and expenses of counsel necessary as a result of the occurrence of

the events described in (i), (ii) or (iii) above will be borne by the Borrower. The Borrower will not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the Borrower or if there is a final judgment for the plaintiff in any such action as to which the Borrower has received notice in writing as hereinabove required, the Borrower agrees to indemnify and hold harmless the Indemnified Party from and against any loss or liability by reason of such settlement or judgment.

(b) The indemnity provided by this Section will be in addition to any other liability that the Borrower may otherwise have hereunder, at common law or otherwise, and is provided solely for the benefit of each of the Indemnified Parties and their respective successors, assigns and legal representatives, and no other person will acquire or have any right under or by virtue of such provisions of this Purchase Contract. No purchaser of the Bonds from the Underwriter will be deemed to be a successor to the Underwriter by reason of such purchase.

(c) The indemnity agreements contained in this Section will remain operative and in force and effect, regardless of any investigation made by or on behalf of the Issuer or the Underwriter or the delivery of and the payment for any Bonds hereunder, and will survive the termination or cancellation of this Purchase Contract.

Section 15. All representations, warranties and agreements of the Underwriter, the Issuer and the Borrower set forth in or made pursuant to this Purchase Contract will remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter and will survive the delivery of and payment for the Bonds.

Section 16. Whether or not the Underwriter accepts delivery of and pays for the Bonds as set forth herein and except as provided in this Section 16, the Borrower will pay all expenses incident to the performance of its obligations hereunder and the delivery of the Bonds, including but not limited to (i) the cost of the preparation, reproduction, printing, distribution, mailing, execution, delivery, filing and recording, as the case may be, of the Issuer Documents, the Borrower Documents, this Purchase Contract, the Official Statement and all other agreements and documents required in connection with the consummation of the transactions contemplated hereby, (ii) the fees and disbursements of Bond Counsel, (iii) the fees and expenses of counsel for the Underwriter, (iv) the initial or acceptance fee of the Trustee, (v) the fees and expenses of counsel for the Trustee, (vi) any fees charged by the rating agency for the rating of the Bonds, (vii) all fees and expenses of the Servicer, the Bank and Freddie Mac, including the reasonable fees and reasonable expenses of their respective counsel, (viii) all fees and expenses of Issuer, including but not limited to fees and expenses related to swap advisors, financial advisors and arbitrage rebate advisors, and (ix) all other costs of issuance of the Bonds.

The Underwriter will pay (i) the cost of preparing and publishing all advertisements relating to the Bonds upon commencement of the offering of the Bonds, (ii) any fees of the Municipal Securities Rulemaking Board in connection with the issuance of the Bonds, and (iii) the cost of obtaining a CUSIP number assignment for the Bonds. The Underwriter shall be under no obligation to pay any expenses incident to the performance of the obligations of the Issuer or the Borrower hereunder.

Notwithstanding the foregoing, if the Underwriter fails to fulfill its obligations under this Purchase Contract and such failure is not caused by (a) the failure of the Issuer or the Borrower to satisfy the conditions of their respective obligations or (b) the termination by the Underwriter of this Purchase Contract for any reason permitted herein, then the Borrower shall not pay the fees and expenses of the Underwriter as set forth in this Purchase Contract. Borrower shall pay, however, any other fees and costs incurred by the date hereof by other parties as set forth above.

Section 17. The Issuer shall not be directly, indirectly, contingently or otherwise liable under this Purchase Contract or any document or instrument referred to herein or by reason of or in connection with this Purchase Contract or other document or instrument except to the extent that such liability arises out of or is based in whole or in part on Issuer's bad faith or gross negligence or any inaccuracy in the Issuer Information in the Official Statement. It is expressly recognized that any liability of the Issuer pursuant to this Purchase Contract, to the extent involving any monetary cost, is limited to the revenues derived from the Financing Agreement or from the disposition of the Project.

Section 18. This Purchase Contract will inure to the benefit of and be binding upon the Issuer, the Borrower, and the Underwriter and their respective successors and assigns. Nothing in this Purchase Contract is intended or will be construed to give any person, firm or corporation, other than the parties hereto and their respective successors and assigns, any legal or equitable right, remedy or claim under or in respect of this Purchase Contract or any provision herein contained. This Purchase Contract and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the parties hereto and their respective successors and assigns, and for the benefit of no other person, firm or corporation. No purchaser who purchases the Bonds from the Underwriter or other person or entity will be deemed to be a successor merely by reason of such purchase.

Section 19. Any notice or other communication to be given to the Issuer or the Borrower under this Purchase Contract may be given by delivering the same in writing at its address set forth above. Any notice or other communications to be given to the Underwriter under this Purchase Contract may be given by the same in writing to RBC Capital Markets Corporation, 345 California Street, Suite 2800, San Francisco, California 94104, Attention: Peter Nolden.

Section 20. This Purchase Contract will be governed by and construed in accordance with the laws of the State of California.

Section 21. If any one or more of the provisions of this Purchase Contract shall be held invalid or unenforceable under applicable law, such provision shall be excluded from this Purchase Contract and the balance of the Purchase Contract shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

[Signature Pages to Follow]

Section 22. This Purchase Contract may be executed in multiple counterparts, each of which will be an original but all of which together will constitute but one and the same instrument and delivery hereof may be effected by delivery to the other parties by facsimile transmission on or before the time and date specified therein.

UNDERWRITER:

RBC CAPITAL MARKETS CORPORATION

By: _____
Name: _____
Title: _____

[Signatures Continue on the Following Page]

[Counterpart Signature Page to Bond Purchase Agreement]

ISSUER:

ACCEPTED in San José, California at ___ p.m.
Eastern Time this ___ day of November, 2009.

CITY OF SAN JOSE, CALIFORNIA

By: _____

Julia H. Cooper,
Deputy Director of Finance,
Debt and Risk Management

Attest:

By: _____

Lee Price,
City Clerk

Approved as to form:

By: _____

Patricia Deignan,
Chief Deputy City Attorney

[Signatures Continue on the Following Page]

[Counterpart Signature Page to Bond Purchase Agreement]

BORROWER:

BROOKWOOD TERRACE FAMILY APARTMENTS,
L.P., a California limited partnership

By: Pacific Housing, Inc.,
a California nonprofit public benefit
corporation,
its Managing General Partner

By _____
Mark A. Wiese, President

By: ROEM Brookwood Terrace Family, LLC,
a California limited liability company,
its Co-General Partner

By: Roem Development Corporation,
a California corporation,
its Sole Member and Manager

By _____
Jonathan Emami, Vice President

EXHIBIT A

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

November __, 2009

RBC Capital Markets Corporation
345 California Street, Suite 2800
San Francisco, California 94104

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive
Mail Stop B4Q
McLean, Virginia 22102

SUPPLEMENTAL OPINION: \$13,600,000 City of San José, California Variable Rate Demand Multifamily Housing Revenue Bonds (Brookwood Terrace Family Apartments), Series 2009B

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of San José, California (the “Issuer”) of its \$13,600,000 City of San José, California Variable Rate Demand Multifamily Housing Revenue Bonds (Brookwood Terrace Family Apartments), Series 2009B (the “Bonds”), pursuant to Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the “Act”), and a Trust Indenture, dated as of November 1, 2009 (the “Indenture”), by and between the Issuer and Wells Fargo Bank, National Association, as trustee (the “Trustee”).

We have examined the Indenture; the Bond Purchase Agreement, dated November __, 2009, by and among the Issuer, Brookwood Terrace Family Apartments, L.P., a California limited partnership, as borrower (the “Borrower”), and RBC Capital Markets Corporation, as underwriter; the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of November 1, 2009, by and among the Issuer, the Trustee and the Borrower; the Financing Agreement, dated as of November 1, 2009, by and among the Issuer, the Trustee and the Borrower, the Intercreditor Agreement, dated as of November 1, 2009, by and among the Issuer, the Trustee, JP Morgan Chase Bank, N.A. and the Federal Home Loan Mortgage Corporation,

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the Act and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Indenture and in the certified proceedings and other certifications of public officials and of the Borrower furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, that:

1. The Bond Purchase Agreement 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. No opinion is expressed with respect to the Credit Facility (as such term is defined in the Indenture).

3. The statements made in the Official Statement under the headings “THE BONDS” (other than under the subheadings “Book—Entry Only System” and “Disclosure Concerning Sales by Remarketing Agent”), “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” (other than under the subheadings “The Letter of Credit” and “The Credit Enhancement Agreement”), “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE,” “SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT,” “SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT,” “TAX MATTERS” and in Appendices A and C, are accurate to the extent that such statements describe the Bonds or are summaries of certain provisions of the Bonds, the Indenture, the Financing Agreement, the Regulatory Agreement and our firm’s opinion with respect to certain federal tax implications of certain aspects of the Bonds.

This opinion letter is solely for your benefit in connection with the Bonds and may not be relied upon, used, quoted or referred to, by any other person without our prior written approval.

Respectfully submitted,

EXHIBIT B

FORM OF OPINION OF COUNSEL TO THE TRUSTEE

[To be provided by counsel to the Trustee.]

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EXHIBIT C

FORM OF OPINION OF SPECIAL COUNSEL TO FREDDIE MAC

November __, 2009

RBC Capital Markets Corporation
New York, New York

Re: \$13,600,000 City of San Jose, California Variable Rate Demand Multifamily Housing Revenue Bonds (Brookwood Terrace Family Apartments), Series 2009B (the "Bonds")

Ladies and Gentlemen:

We have acted as special counsel to the Federal Home Loan Mortgage Corporation ("*Freddie Mac*") in connection with the issuance by the City of San Jose, California (the "*Issuer*") of the above-captioned bonds (the "Bonds") on behalf of Brookwood Terrace Family Apartments, L.P. (the "*Borrower*").

In our capacity as special counsel to Freddie Mac, we have examined such documents, records and other instruments as we deemed necessary to enable us to render the opinion set forth below, including (i) the Construction Phase Financing Agreement, dated as of November 1, 2009 (the "*Credit Enhancement Agreement*"), by and among Freddie Mac, Citibank, N.A. and JPMorgan Chase Bank, N.A. and (ii) the Official Statement of the Issuer dated November __, 2009 (the "*Official Statement*") relating to the Bonds.

Based on the foregoing, as of the date hereof, we are of the opinion that the information in the Official Statement under the headings "THE CREDIT ENHANCEMENT AGREEMENT," "SUMMARY OF CERTAIN PROVISIONS OF THE CONSTRUCTION PHASE FINANCING AGREEMENT" and "SUMMARY OF CERTAIN PROVISIONS OF THE INTERCREDITOR AGREEMENT" and Appendix B to the Official Statement, to the extent that such information purports to summarize the documents stated therein constitute accurate summaries or reproductions, as appropriate, thereof in all material respects.

This opinion is given for the sole benefit of the addressee hereof and may not be relied upon by or delivered to any other person without our prior written consent, except that it may be included in any record of proceedings related to the Bonds. In addition, this opinion relates only to the matters specifically referred to herein, and no other opinions should be inferred herefrom.

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We assume no obligation to review or supplement this letter subsequent to this date, whether by reason of a change in the current law, by legislative or regulatory action, by judicial decision, or for any other reason.

Very truly yours,

KATTEN MUCHIN ROSENMAN LLP

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EXHIBIT D

**CERTIFICATE OF FEDERAL HOME LOAN MORTGAGE CORPORATION
RELATING TO CERTAIN INFORMATION
CONTAINED IN THE
OFFICIAL STATEMENT
FOR**

**\$13,600,000
CITY OF SAN JOSE, CALIFORNIA
VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS
(BROOKWOOD TERRACE FAMILY APARTMENTS),
SERIES 2009B**

DATED AS OF NOVEMBER ____, 2009

This Certificate of Federal Home Loan Mortgage Corporation (“*Freddie Mac*”) is being executed and delivered on behalf of Freddie Mac by the undersigned, an authorized officer of Freddie Mac. The undersigned certifies, on behalf of Freddie Mac, that the attached information regarding Freddie Mac is accurate and may be included in the Official Statement for the bonds described above (the “*Bonds*”).

IN WITNESS WHEREOF, Freddie Mac has caused this Certificate to be duly executed by its duly authorized officer or representative as of the date first written above.

FEDERAL HOME LOAN MORTGAGE
CORPORATION

By: _____
Name: _____
Title: _____

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ATTACHMENT TO THE FREDDIE MAC CERTIFICATE

FREDDIE MAC

The information presented under this caption “FREDDIE MAC” has been supplied by Freddie Mac. None of the Issuer, the Trustee, the Borrower or the Underwriter has independently verified such information, and none assumes responsibility for the accuracy of such information. The information is qualified in its entirety by reference to the Incorporated Documents, as defined below.

Freddie Mac is a shareholder-owned government-sponsored enterprise created on July 24, 1970 pursuant to the Federal Home Loan Mortgage Corporation Act, Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§ 1451-1459 (the “Freddie Mac Act”). Freddie Mac’s statutory mission is (i) to provide stability in the secondary market for residential mortgages; (ii) to respond appropriately to the private capital market; (iii) to provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities); and (iv) to promote access to mortgage credit throughout the United States (including central cities, rural areas and underserved areas) by increasing the liquidity of mortgage financing. Neither the United States nor any agency or instrumentality of the United States is obligated, either directly or indirectly, to fund the mortgage purchase or financing activities of Freddie Mac or to guarantee Freddie Mac’s securities or obligations.

Freddie Mac’s principal business consists of the purchase of (i) first-lien, conventional residential mortgages subject to certain maximum loan limits and other underwriting requirements under the Freddie Mac Act and (ii) securities backed by such mortgages. Freddie Mac finances its mortgage purchases and mortgage-backed securities purchases through the issuance of a variety of securities, primarily pass-through mortgage participation certificates and unsecured debt, as well as with cash and equity capital.

On September 7, 2008, the Director of the Federal Housing Finance Agency (“FHFA”) appointed FHFA as conservator of Freddie Mac in accordance with the Federal Housing Finance Reform Act of 2008 (the “Reform Act”) and the Federal Housing Enterprises Financial Safety and Soundness Act of 1992. On September 7, 2008, in connection with the appointment of FHFA as conservator, Freddie Mac and the U.S. Department of the Treasury (“Treasury”) entered into a Senior Preferred Stock Purchase Agreement. Also, pursuant to its authority under the Reform Act, Treasury announced that it has established the Government Sponsored Enterprise Credit Facility (a lending facility to ensure credit availability to Freddie Mac, Fannie Mae, and the Federal Home Loan Banks that will provide secured funding on an as needed basis

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under terms and conditions established by the Treasury Secretary to protect taxpayers) and a program under which Treasury will purchase Government Sponsored Enterprise (including Freddie Mac) mortgage-backed securities (MBS) in the open market. The announcements by FHFA and Treasury and descriptions of these programs are available at their respective websites: <http://www.OFHEO.gov> and <http://www.Treasury.gov>.

Freddie Mac registered its common stock with the U.S. Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934 (the "Exchange Act"), effective July 18, 2008. As a result, Freddie Mac files annual, quarterly and current reports, proxy statements and other information with the SEC. Prior to July 18, 2008, Freddie Mac prepared an annual Information Statement (containing annual financial disclosures and audited consolidated financial statements) and Information Statement Supplements (containing periodic updates to the annual Information Statement).

As described below, Freddie Mac incorporates certain documents by reference in this Official Statement, which means that Freddie Mac is disclosing information to you by referring you to those documents rather than by providing you with separate copies. Freddie Mac incorporates by reference in this Official Statement its proxy statement, and all documents that Freddie Mac files with the SEC pursuant to Section 13(a), 13(c) or 14 of the Exchange Act, after July 18, 2008 and prior to the completion of the offering of the related Bonds, excluding any information that Freddie Mac may "furnish" to the SEC but that is not deemed to be "filed." Freddie Mac also incorporates by reference its Registration Statement on Form 10, in the form declared effective by the SEC on July 18, 2008 (the "Registration Statement"). These documents are collectively referred to as the "Incorporated Documents" and are considered part of this Official Statement. You should read this Official Statement, in conjunction with the Incorporated Documents. Information that Freddie Mac incorporates by reference will automatically update information in this Official Statement. Therefore, you should rely only on the most current information provided or incorporated by reference in this Official Statement.

You may read and copy any document Freddie Mac files with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. These SEC filings are also available to the public from the SEC's web site at <http://www.sec.gov>.

Freddie Mac makes no representations as to the contents of this Official Statement, the suitability of the Bonds for any investor, the feasibility of performance of any project, or compliance with any securities, tax or other laws or regulations. Freddie Mac's role is limited to discharging its obligations under the Credit Enhancement Agreement.

FREDDIE MAC'S OBLIGATIONS WITH RESPECT TO THE BONDS ARE SOLELY AS PROVIDED IN THE CREDIT ENHANCEMENT AGREEMENT. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT WILL BE OBLIGATIONS SOLELY OF FREDDIE MAC, A SHAREHOLDER-OWNED,

GOVERNMENT-SPONSORED ENTERPRISE ORGANIZED UNDER THE LAWS OF THE UNITED STATES OF AMERICA. FREDDIE MAC HAS NO OBLIGATION TO PURCHASE, DIRECTLY OR INDIRECTLY, ANY OF THE BONDS, BUT WILL BE OBLIGATED, PURSUANT TO THE CREDIT ENHANCEMENT AGREEMENT, TO PROVIDE FUNDS TO THE TRUSTEE TO PAY THE PURCHASE PRICE OF THE BONDS UNDER THE CIRCUMSTANCES DESCRIBED HEREIN. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, ANY AGENCY THEREOF, OR OF FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC.

END OF ATTACHMENT

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