REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO
HOUSING SET-ASIDE
TAX ALLOCATION BONDS
SERIES 2010A (TAXABLE)

PURCHASE CONTRACT

_____, 2010

Redevelopment Agency of the
City of San Diego
202 C Street, MS 2A
San Diego, California 92101

Public Facilities Financing Authority
of the City of San Diego
202 C Street
San Diego, California 92101

Ladies and Gentlemen:

E. J. De La Rosa & Co., Inc., on behalf of itself and Piper Jaffray & Co. (collectively, the "Underwriters"), hereby offers to enter into this Purchase Contract (the "Purchase Contract") with the Redevelopment Agency of the City of San Diego (the "Agency") and the Public Facilities Financing Authority of the City of San Diego (the "Authority") for the purchase by the Underwriters from the Authority of the Agency's $_____ aggregate principal amount of Housing Set-Aside Tax Allocation Bonds, Series 2010A (Taxable) (the "Bonds"). This offer is made subject to acceptance thereof by the Agency and the Authority prior to 5:00 P.M., California time, on the date hereof, and upon such acceptance, as evidenced by the execution hereof by the authorized officers of the Agency and the Authority in the space provided below, this Purchase Contract shall be in full force and effect in accordance with its terms and shall be binding upon the Agency, the Authority and the Underwriters.

1. Purchase and Sale of Bonds. Upon the terms and conditions and upon the basis of the representations herein set forth, (i) the Authority hereby agrees to purchase from the Agency, but only to the extent the Underwriters are obligated hereunder to purchase from the Authority, for offering to the Underwriters and the Agency hereby agrees to sell to the Authority for such purpose, and (ii) the Underwriters agree to purchase from the Authority, and the Authority agrees to sell to the Underwriters, all (but not less than all) of the Bonds, at the purchase price of $_____ (representing the par amount of the Bonds, [less net original issue discount] [plus net original issue premium] of $_____, and less an underwriting discount of $_____).

The Bonds will be issued pursuant to a Trust Indenture, dated as of _____ 1, 2010 (the "Indenture"), between the Agency and U.S. Bank National Association, as trustee (the "Trustee"). The Bonds shall mature and shall be subject to redemption on the dates and in the amounts and shall bear interest at the rates as set forth in the Indenture and the Official Statement (as hereinafter defined) and in Appendix I attached hereto. The Bonds shall be authorized to be issued by a resolution duly adopted by the Agency (the "Bond Resolution") and by the Indenture, in accordance with the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (the "Redevelopment Law"), and other applicable laws and the Constitution of the State of California (the "State"). The Bonds will be purchased and sold by the Authority pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5, Division 7 of Title 1 (commencing with Section 6584) of the California Government Code (the "JPA Act").

The Underwriters agree to make a bona fide public offering of the Bonds at the initial offering prices or yields set forth in the Official Statement; however, the Underwriters reserve the right to change such initial offering prices or yields as the Underwriters shall deem necessary following the initial public offering period in connection with the marketing of the Bonds. Terms defined in the Official Statement are used herein as so defined.

2. Official Statement. The Agency hereby ratifies, approves and confirms the distribution of the Preliminary Official Statement of the Agency with respect to the Bonds, dated _____, 2010 (together with the Appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto, the "Preliminary Official Statement"), in connection with the public offering and sale of the Bonds by the Underwriters. The Agency shall deliver, or cause to be delivered, to the Underwriters within seven business days from the date hereof, two copies of the final Official Statement prepared in connection with the Bonds (together with the Appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto on or prior to the Closing, the "Official Statement") to be dated as of the date hereof and to be in such form as shall be approved by the Agency and the Underwriters and such additional conformed copies thereof as the Underwriters may reasonably request in sufficient quantities to comply with applicable Municipal Securities Rulemaking Board ("MSRB") rules, with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time ("Rule 15c2-12") and to meet potential customers' requests for copies of the Official Statement. By acceptance of this Purchase Contract, the Agency hereby authorizes the use of copies of the Official Statement in connection with the public offering and sale of the Bonds.

3. Delivery of Bonds.

At 9:00 a.m., California time, on _____, 2010, or at such earlier or later time or date, as shall be agreed upon by the Agency, the Authority and the Underwriters (such time and date herein referred to as the "Closing Date"), the Trustee shall deliver to the Underwriters, on behalf of the Agency and the Authority, through the facilities of the Depository Trust Company, New York, New York ("DTC"), the Bonds in book-entry form, and the other documents herein mentioned; and the Underwriters shall accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by same day funds (such delivery and

payment being herein referred to as the "Closing"). The Bonds shall be made available to the Underwriters not later than the second business day before the Closing Date for purposes of inspection.

4. Representations of the Authority. The Authority represents that:

(a) The Authority is a joint powers authority, duly organized and existing, and authorized to transact business and exercise powers under and pursuant to the provisions of the Constitution and the laws of the State and has, and at the date of the Closing will have, full legal right, power and authority to enter into this Purchase Contract, and to carry out and to consummate the transactions on its part contemplated by this Purchase Contract;

(b) The Authority has complied, and will at the Closing be in compliance, in all respects, with the JPA Act and any other applicable laws of the State;

(c) By official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained in this Purchase Contract;

(d) To the knowledge of the Authority, the execution and delivery of this Purchase Contract, and compliance with the provisions of hereof, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject;

(e) All approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to execution and delivery by the Authority of this Purchase Contract and the purchase from the Agency and sale to the Underwriters of the Bonds have been obtained or will be obtained prior to the Closing (provided the Authority shall not be responsible for state blue sky filings);

(f) Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending with respect to which the Authority has been served with process or, to the knowledge of the official of the Authority executing this Purchase Contract, after due investigation, threatened against the Authority, affecting the existence of the Authority or the titles of its members or officers, or seeking to enjoin the purchase and sale of the Bonds by the Authority, or in any way contesting or affecting the validity or enforceability of the Bonds or this Purchase Contract or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or contesting the power or authority of the Authority to purchase and sell the Bonds, or to execute and deliver this Purchase Contract, nor is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or this Purchase Contract; and

(g) Any certificate signed by an authorized officer of the Authority and delivered to the Underwriters shall be deemed a representation and warranty of the Authority to the Underwriters as to the statements made therein.

5. Representations of the Agency. The Agency represents that:

(a) The Agency is a public body, corporate and politic, duly organized and existing, and authorized to transact business and exercise powers under and pursuant to the provisions of the Redevelopment Law and has, and at the date of the Closing will have, full legal right, power and authority (i) to enter into this Purchase Contract, (ii) to adopt the Bond Resolution, (iii) to issue, sell and deliver the Bonds to the Authority, for subsequent sale and delivery to the Underwriters as provided herein, and (iv) to carry out and to consummate the transactions on its part contemplated by the Bond Resolution, the Indenture, the Continuing Disclosure Certificate for the Bonds (the "Continuing Disclosure Certificate") between the Agency and the Trustee, this Purchase Contract and the Official Statement;

(b) The Preliminary Official Statement, as of its date, was correct in all material respects and did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;

(c) The Official Statement (except for the information included therein relating to DTC and the book-entry system), as of its date, is correct in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;

(d) The Agency covenants with the Underwriters that prior to the earlier of (i) receipt of notice from the Underwriters that Official Statements are no longer required under Rule 15c2-12 or (ii) 25 days after the end of the underwriting period (defined below) (the "Delivery Period"), if an event occurs, of which the Agency has knowledge, which might or would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Agency shall notify the Underwriters, and if, in the opinion of the Underwriters, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Agency shall cooperate with the Underwriters in the preparation of an amendment or supplement to the Official Statement in a form and in a manner approved by the Underwriters, and all printing expenses thereby incurred shall be paid for by the Agency. The term "end of the underwriting period" means the later of (i) the date the Agency delivers the Bonds to the Underwriters or (ii) the date the Underwriters do not retain an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End Date shall be deemed to be the Closing Date;

(e) If the information contained in the Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the end of the Delivery Period, the portions of the Official Statement so supplemented or amended (except for the information included therein relating to DTC and the book-entry system) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or

necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(f) Except as otherwise disclosed in the Official Statement, the Agency has complied, and will at the Closing be in compliance, in all respects, with the Redevelopment Law and any other applicable laws of the State;

(g) By official action of the Agency prior to or concurrently with the acceptance hereof, the Agency has duly authorized and approved the Preliminary Official Statement and the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the Agency of the obligations on its part contained, in the Bond Resolution, the Indenture, the Continuing Disclosure Certificate, the Bonds, and this Purchase Contract;

(h) The adoption of the Bond Resolution and the execution and delivery of the Bonds, the Indenture, the Continuing Disclosure Certificate and this Purchase Contract, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, note, resolution, agreement or other instrument to which the Agency is a party or is otherwise subject; and, except as described in the Official Statement, the Agency has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the revenues pledged pursuant to, or subject to the lien of, the Indenture;

(i) All approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to adoption of the Bond Resolution, the execution and delivery by the Agency of this Purchase Contract, the Indenture, the Continuing Disclosure Certificate and the issuance, sale and delivery of the Bonds have been obtained or will be obtained prior to the Closing (provided the Agency shall not be responsible for state blue sky filings);

(j) The Bonds when issued, authenticated and delivered in accordance with the Bond Resolution and the Indenture will be validly issued, and will be legal, valid and binding obligations of the Agency;

(k) The terms and provisions of the Bond Resolution and the Indenture comply in all respects with the requirements of the Redevelopment Law, the Bond Resolution has been duly adopted by the Agency, and the Indenture and the Continuing Disclosure Certificate are valid, legal and binding upon the Agency enforceable in accordance with their respective terms subject to bankruptcy, moratorium or insolvency or other laws affecting creditors' rights generally and general rules of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity);

(l) Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending with respect to which the Agency has been served with process or, to the knowledge of the officer of the Agency executing this Purchase Contract, after due investigation, threatened against the Agency, affecting the existence of the Agency or the titles of its members

or officers, or seeking to enjoin the sale, issuance or delivery of the Bonds or the revenues of the Agency pledged or to be pledged to pay the principal of, redemption premium, if any, and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Resolution, the Indenture, the Continuing Disclosure Certificate or this Purchase Contract or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or contesting the power or authority of the Agency to issue the Bonds, to adopt the Bond Resolution or to execute and deliver the Purchase Contract, the Indenture or the Continuing Disclosure Certificate nor is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds, the Bond Resolution, the Indenture, the Continuing Disclosure Certificate or this Purchase Contract;

(m) Any certificate signed by an authorized officer of the Agency and delivered to the Underwriters shall be deemed a representation and warranty of the Agency to the Underwriters as to the statements made therein;

(n) Each of the Bonds shall be secured in the manner and to the extent set forth in the Indenture;

(o) The Agency has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Agency is an issuer whose arbitrage certificates may not be relied upon;

(p) At the time of the Closing, there shall not have been any material adverse change in the financial condition of the Agency or any material adverse change in the valuation of taxable property in the Redevelopment Project Areas, as described in the Official Statement, since the date of the Official Statement. Except as disclosed in the Official Statement, the Agency has not entered into any tax sharing agreements with regards to tax increment generated within the Redevelopment Project Areas, and the Agency is not subject to any resolution of taxing entities adopted pursuant to former Section 33676 of the Redevelopment Law pursuant to which Tax Revenues attributable to growth in assessed value as a result of lawful inflationary adjustments are captured by such taxing entity.

(q) Between the date of this Purchase Contract and the date of Closing, the Agency will not, without the prior written consent of the Underwriter, and except as disclosed in the Official Statement, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, secured by tax increment generated in the Redevelopment Project Areas. The total obligations of the Agency heretofore incurred have been computed by the Agency and will not exceed the outstanding total bonded indebtedness limit thereon set forth in the redevelopment plan for each of the Redevelopment Project Areas (collectively, the "Redevelopment Plans"), and the Agency is entitled to receive Tax Revenues under the Redevelopment Plans for a term longer than the final maturity of the Bonds;

(r) The Low and Moderate Income Housing Fund does not, on the date hereof, contain any "excess surplus" (as that term is defined in Section 33334.12 of the Redevelopment Law) that would cause the Agency to be subject to the prohibitions contained in Section 33334.12(e) of the Redevelopment Law;

(s) The Agency has not failed to comply in all material respects with any undertaking by the Agency under Rule 15(c)2-12 except as described in the Official Statement;

(t) There are no liens on the Tax Revenues on a parity with or senior to the line of the Indenture, except as described in the Official Statement; and

(u) As of the time of acceptance hereof and as of the date of the Closing, except as otherwise disclosed in the Official Statement, the Agency has complied with all material provisions of the Redevelopment Law, including, without limitation, use of the Tax Revenues and the filing requirements of Sections 33080, 33080.6 and 33334.6 of the Redevelopment Law as applicable to the Agency and the Redevelopment Project Areas. As of the date hereof the Agency does not have "major violations" (within the meaning of Section 33080.8(i) of the Redevelopment Law) so as to be or become subject to a court order prohibiting the activities set forth in Section 33080.8(e) of the Redevelopment Law.

6. Representations of the Underwriters. The Underwriters represent that they each have full right, power, and authority to enter into this Purchase Contract.

7. Rule 15c2-12 Covenant. The Agency covenants to comply, and to perform all actions as may be requested by the Underwriters in order for the Underwriters to comply with the applicable provisions of Rule 15c2-12.

8. Conditions to Obligations of Underwriters. The Underwriters have entered into this Purchase Contract in reliance upon the representations, warranties and agreements of the Agency and the Authority contained herein and upon the accuracy of the statements to be contained in the documents, opinions and instruments to be delivered at the Closing. Accordingly, the Underwriters' obligations under this Purchase Contract to purchase, accept delivery of, and pay for the Bonds on the Closing Date is subject to the performance by the Agency and the Authority of their respective obligations hereunder at or prior to the Closing. The parties hereto expressly understand that the obligations to purchase the Bonds are and shall be subject to the following further conditions:

(a) At the time of the Closing, (i) the representations and warranties of the Agency and the Authority contained herein shall be true and correct; (ii) each of the documents and certificates required to be delivered at Closing shall have been duly executed, acknowledged and delivered by the appropriate parties thereto, shall be in full force and effect and shall not have been amended, modified or supplemented, except as therein permitted or as may have been agreed to in writing by the Underwriters; and (iii) the Bond Resolution shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriters;

(b) The Underwriters shall have the right to cancel their obligations to purchase the Bonds if between the date hereof and the Closing:

(1) legislation shall have been enacted (or resolution passed) by or introduced or pending legislation amended in the Congress of the United States or the State or shall have been reported out of committee or be pending in committee (specifically including, but not limited to, legislation which if enacted would adversely affect the Agency's receipt of tax

increment revenues), or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling shall have been made or a resolution shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or State authority, with respect to federal or State taxation upon interest on obligations of the general character of the Bonds or with respect to the security pledged to pay debt service on the Bonds, that, in the Underwriters' reasonable judgment, materially adversely affects the market for the Bonds, or the market price generally of obligations of the general character of the Bonds;

(2) there shall exist any event that, in the Underwriters' reasonable judgment, either (A) makes untrue or incorrect in any material respect any statement or information in the Official Statement or (B) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein not misleading in any material respect;

(3) there shall have occurred any outbreak or escalation of hostilities or other local, national or international calamity or crisis, or a default with respect to the debt obligations of, or the institution of proceedings under the federal bankruptcy laws by or against, any state of the United States or agency thereof, or any city in the United States having a population of over one million, the effect of which on the financial markets of the United States will be such as in the Underwriters' reasonable judgment, makes it impracticable for the Underwriters to market the Bonds or enforce contracts for the sale of the Bonds;

(4) there shall be in force a general suspension of trading on the New York Stock Exchange, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of determination by that Exchange or by order of the Securities and Exchange Commission of the United States or any other governmental authority having jurisdiction that, in the Underwriters' reasonable judgment, makes it impracticable for the Underwriters to market the Bonds or enforce contracts for the sale of the Bonds;

(5) a general banking moratorium shall have been declared by federal, New York or State authorities having jurisdiction and be in force that, in the Underwriters' reasonable judgment, makes it impracticable for the Underwriters to market the Bonds or enforce contracts for the sale of the Bonds;

(6) legislation shall be enacted or be proposed or actively considered for enactment, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission of the United States or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that the Bonds, any obligations of the general character of the Bonds or the Bond Resolution or the Indenture are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, or of the Trust Indenture Act of 1939, as amended and as then in effect, or otherwise are or would be in violation of any provision of the federal securities laws;

(7) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose any material restrictions not now in force with respect to the Bonds or obligations of the general character of the Bonds or securities generally, or materially increase any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, underwriters;

(8) any rating or credit outlook of the Bonds or other obligations of the Agency with respect to any of the Redevelopment Project Areas by a national rating agency shall have been withdrawn or downgraded; or

(9) there shall have been any materially adverse change in the affairs of the Agency or the condition of the Redevelopment Project Areas which in the Underwriters' reasonable judgment materially adversely affects the market for the Bonds; and

(c) At or prior to the Closing the Underwriters shall receive the following:

(1) The approving opinion of Best Best & Krieger LLP ("Bond Counsel") with respect to the Bonds, addressed to the Agency, with a reliance letter to the Underwriters, dated the date of the Closing, in substantially the form attached to the Official Statement as APPENDIX E;

(2) A supplemental opinion or opinions of Bond Counsel with respect to the Bonds, addressed to the Underwriters, dated the date of Closing, in substantially the form attached hereto as Exhibit A;

(3) The opinion of counsel to the Agency with respect to the Bonds, addressed to the Underwriters and the Agency, dated the date of Closing, in substantially the form attached hereto as Exhibit B;

(4) A certificate dated the date of the Closing, signed by an authorized representative of the Agency to the effect that: (i) the representations, warranties and covenants of the Agency contained herein are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of Closing; (ii) the Agency has complied with all the agreements and satisfied all of the conditions on its part to be performed or satisfied under this Purchase Contract, the Bond Resolution and the Indenture, at or prior to Closing; (iii) no event has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing Date any statement of information contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein not misleading in any material respect; (iv) the Bond Resolution is in full force and effect and has not been amended in any respect; and (v) no consent is required for the inclusion of excerpts from the Agency's Annual Financial Report, including the accompanying accountant's letter, for Fiscal Year 2008/09 in the Official Statement;

(5) The opinion, dated the date of the Closing and addressed to the Agency and the Underwriters, of Best Best & Krieger LLP, as Disclosure Counsel to the Agency, to the effect that based upon their participation in the preparation of the Official Statement as Disclosure Counsel to the Agency and without having undertaken to determine

independently the accuracy or completeness of the contents in the Official Statement, such counsel has no reason to believe that the Official Statement, as of its date and as of the Closing Date (except for the financial statements and the other financial and statistical data included therein and the information included therein relating to The Depository Trust Company and the book-entry system (as such terms are defined in the Official Statement), and in the Appendices thereto as to all of which no opinion or belief need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(6) A certificate of the Trustee dated the date of the Closing and addressed to the Agency and the Underwriters, to the effect that: (i) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States of America, having full power and being qualified and duly authorized to perform the duties and obligation of the Trustee under and pursuant to the Indenture; (ii) the Trustee has agreed to perform the duties and obligations of the Trustee as set forth in the Indenture; (iii) compliance with the provisions on the Trustee's part contained in the Indenture will not conflict with or constitute a breach of or default under any judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject, or, to the best knowledge of the Trustee, any material law or administrative regulation to which the Trustee is subject, as a result of which the Trustee's ability to perform its obligations under the Indenture would be impaired; and (iv) the Trustee has not been served in any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending nor, to the best of the knowledge of the Trustee, is any such action, suit, proceeding, inquiry or investigation threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the issuance, sale and delivery of the Bonds or the collection of revenues pledged or to be pledged to pay the principal of, premium, if any, and interest on the Bonds, or the pledge thereof, or in any way contesting the powers of the Trustee or its authority to perform its obligations under the Indenture, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Indenture;

(7) A copy of this Purchase Contract duly executed and delivered by the parties hereto;

(8) A copy of the Official Statement, executed on behalf of the Agency by an authorized officer of the Agency;

(9) A copy of the Indenture and the Continuing Disclosure Certificate;

(10) A certified copy of the Bond Resolution;

(11) The opinion of counsel to the Trustee, in form and substance acceptable to the Underwriters;

(12) A certificate of David Taussig & Associates, Inc., dated the Closing date, certifying that as of the date of the Official Statement and as of the Closing date,

the statements contained in the Official Statement insofar as such statements purport to summarize their report, dated _____, 2010, are true and correct in all material respects, and did not and do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and consenting to the use of their report as APPENDIX A to the Preliminary Official Statement and the Official Statement and all references to their report in the Preliminary Official Statement and the Official Statement;

(13) A certificate of Kitahata & Company, as Financial Advisor, dated the Closing Date and addressed to the Agency and the Underwriters, to the effect that while the Financial Advisor has not independently verified or undertaken an independent investigation of the information in the Preliminary Official Statement and the Official Statement, based on its participation in the preparation and review of the Preliminary Official Statement and Official Statement, no information has come to its attention which would lead it to believe that the information contained in the Official Statement is as of the date of delivery of the Bonds, not true or correct in all material respects, or that the Official Statement contains any untrue statement of a material fact or omits to state a material fact where necessary to make a statement not misleading in light of the circumstances under which it was made;

(14) An opinion of Counsel to the Authority, dated the date of the Closing and addressed to the Agency and the Underwriters, substantially to the effect that (i) the Authority is a joint powers authority, duly created and lawfully existing under the JPA Act and the Constitution of the State; (ii) the resolution ("Authority Resolution") of the Authority approving and authorizing the execution and delivery of this Purchase Contract has been duly adopted at a meeting of the governing board of the Authority, which was called and held pursuant to the law and with all public notice required by law and at which a quorum was present and acting throughout and the Authority Resolution is in full force and effect and has not been modified, amended or rescinded; (iii) this Purchase Contract has been duly authorized, executed and delivered by the Authority and constitutes the valid, legal and binding obligation of the Authority enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors rights and by the application of equitable principles if equitable remedies are sought; and (iv) except as otherwise disclosed in the Official Statement, to the best of such counsel's knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, governmental agency or body, pending or threatened against the Authority, challenging the creation, organization or existence of the Authority, or the validity of this Purchase Contract or seeking to restrain or enjoin any of the transactions referred to herein or contemplated hereby or contesting the authority of the Authority to enter into or perform its obligations under this Purchase Contract, or which, in any manner, questions the right of the Authority to purchase and sell the Bonds;

(15) A certificate of the Authority, dated the date of the Closing, signed on behalf of the Authority by the Chairman or other duly authorized officer of the Authority to the effect that (a) the representations, warranties and covenants of the Authority contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing and the Authority has complied with all of the terms and conditions of this Purchase Contract required to be complied with by the Authority at or prior to the date of

Closing; and (b) no event affecting the Authority has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(16) Evidence from Standard and Poor's Corporation ("Standard & Poor's") that the Bonds have been rated "_____," which rating continues in effect as of the Closing Date;

(17) An executed copy of the Tax Certificate of the Agency in form and substance acceptable to Bond Counsel;

(18) Evidence that the Trustee has received the Agency Deposit;

(19) Evidence that on the Closing date the lines of credit (as described in the Official Statement under the heading "FINANCING PLAN – The Bank Lines of Credit") have been paid in full and are terminated;

(20) A copy of the Notice of Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 53583 of the Government Code and Section 8855(g) of the Government Code; and

(21) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriters or Bond Counsel may reasonably request to evidence compliance by the Agency and the Authority with this Purchase Contract, legal requirements (including tax exemption), and the performance or satisfaction by the Agency and the Authority at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Agency and the Authority.

The Agency will furnish the Underwriters with such conformed copies of such opinions, certificates, letters and documents as the Underwriters may reasonably request. If the Agency or the Authority shall be unable to satisfy the conditions to the obligations of the Underwriters contained in this Purchase Contract, or if the obligations of the Underwriters shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriters nor the Agency or the Authority shall have any further obligations hereunder, except as provided in Section 9 hereof. However, the Underwriters may in their discretion waive one or more of the conditions imposed by this Purchase Contract for the protection of the Underwriters and proceed with the Closing.

9. Expenses.

The Underwriters shall be under no obligation to pay, and the Agency shall pay from its available funds or from the proceeds of the Bonds, the following expenses: (i) all expenses in connection with the preparation, distribution and delivery of the Preliminary Official Statement, the Official Statement, and any amendment or supplement thereto, and this Purchase Contract; (ii) all expenses in connection with the printing, issuance and delivery of the Bonds; (iii) the fees and disbursements of Bond Counsel and Disclosure Counsel; (iv) the fees and disbursements of counsel and consultants, including pricing and redevelopment advisors, to the

Agency and to the Authority in connection with the Bonds; (v) the disbursements of the Agency and the Authority in connection with the Bonds; (vi) the fees and disbursements of the Trustee, including but not limited to, fees and disbursements of its counsel, travel and other expenses; (vii) any and all fees incurred in connection with obtaining a rating on the Bonds or in obtaining any form of credit enhancement or bond insurance; and (viii) all expenses in connection with the preparation, execution and delivery of the Indenture and the Bonds and the preparation and adoption of the Bond Resolution.

10. Qualification under Securities Laws. The Agency and the Authority agree to cooperate with the Underwriters 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 as the Underwriters may request; provided that neither the Agency nor the Authority shall be required to qualify in, or submit to the general jurisdiction of, any state in which it is not now so qualified or of which it has not submitted to the general jurisdiction. The Agency and the Authority consent to the use of the Preliminary Official Statement and Official Statement by the Underwriters in obtaining such qualifications.

11. Notice. Any notice or other communication to be given to the Agency, the Authority or the Underwriters under this Purchase Contract may be given by delivering the same in writing to:

Redevelopment Agency of the City of San Diego
202 C Street MS 2A
San Diego, California 92101

Public Facilities Financing Authority
of the City of San Diego
202 C Street
San Diego, California 92101

E. J. De La Rosa & Co., Inc., as representative
of the Underwriters
101 Montgomery Street, Suite 2150
San Francisco, CA 94104
Attention: Mr. Ralph Holmes

12. Governing Law; Counterparts. This Purchase Contract shall be governed by the laws of the State applicable to contracts made and performed in the State. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

13. Parties in Interest. This Purchase Contract is made solely for the benefit of the signatories hereto (including the respective successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements in this Purchase Contract shall remain operative and

in full force and effect, regardless of (a) delivery of and payment for any of the Bonds and (b) any termination of this Purchase Contract.

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14. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

E. J. DE LA ROSA & CO., INC., on behalf of itself and Piper Jaffray & Co.

By:_____
Authorized Representative

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO

By:_____
Authorized Representative
Date/Time: _____

APPROVED AS TO FORM:

By: _____
Deputy General Counsel

PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO

By:_____
Authorized Representative
Date/Time: _____

APPENDIX I

MATURITIES, AMOUNTS, INTEREST RATES AND YIELDS

Maturity (September 1)	Principal Amount	Interest Rate	Yield

* Term Bond.

EXHIBIT A

Form of Supplemental Opinion of Bond Counsel

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO
HOUSING SET-ASIDE
TAX ALLOCATION BONDS
SERIES 2010A (TAXABLE)

We have acted as Bond Counsel to the Redevelopment Agency of the City of San Diego (the "Agency") in connection with its sale of $_____ aggregate principal amount of Housing Set-Aside Tax Allocation Bonds, Series 2010A (Taxable) (the "Bonds"). The Bonds are being issued pursuant to Resolution No. _____, adopted by the Agency on _____, 2010 (the "Bond Resolution") and an Indenture of Trust, dated as of _____ 1, 2010 (the "Indenture") between the Agency and U.S. Bank National Association, as trustee (the "Trustee"). The Bond Resolution and the Indenture are collectively referred to as the "Issuing Documents."

In that connection we have examined originals or copies certified or otherwise identified to my satisfaction of the Issuing Documents, the Tax Certificate dated as of the date hereof (the "Tax Certificate"), the Continuing Disclosure Certificate for the Bonds, dated as of _____ 1, 2010 (the "Continuing Disclosure Certificate") between the Agency and the Trustee for the Bonds, the Purchase Contract, dated _____, 2010 (the "Purchase Contract"), among the Agency, the Public Facilities Financing Authority of the City of San Diego (the "Authority"), and E. J. De La Rosa & Co., Inc., on behalf of itself and Piper Jaffray & Co. (collectively, the "Underwriters"); and the Official Statement of the Agency, dated _____, 2010 (the "Official Statement") relating to the Bonds. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Issuing Documents.

Based upon our examination of the foregoing and the pertinent laws of the United States of America and the State of California, we are of the opinion that:

(1) The Agency and the Authority have duly authorized executed and delivered the Purchase Contract, and the Purchase Contract constitutes the legal, valid and binding obligation of the Agency and the Authority, enforceable against each in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, to the application of equitable principles when equitable remedies are sought and to the exercise of judicial discretion in appropriate cases.

(2) The statements and information contained or summarized in the Official Statement on the cover page and under the headings "INTRODUCTION," "THE 2010 BONDS," "SECURITY FOR THE 2010 BONDS," "TAX ALLOCATION FINANCING AND LIMITATIONS ON RECEIPT OF TAX INCREMENT," "TAX MATTERS" and in "APPENDIX D," "APPENDIX E" and "APPENDIX F" thereto (but not including any statistical or financial information set forth under such headings, as to which we express no opinion)

insofar as such statements expressly summarize certain provisions of the Bonds, the Indenture and the opinion of Bond Counsel concerning certain federal and State tax matters relating to the Bonds are fair and accurate.

(3) The Bonds are exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"), and the Indenture is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

Very truly yours,

EXHIBIT B

Form of Opinion of Counsel to the Agency
[Closing Date]

REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO
HOUSING SET-ASIDE
TAX ALLOCATION BONDS
SERIES 2010A (TAXABLE)

Ladies and Gentlemen:

We have acted as counsel to the Redevelopment Agency of the City of San Diego (the "Agency") in connection with its sale of $_____ aggregate principal amount of Housing Set-Aside Tax Allocation Bonds, Series 2010A (Taxable) (the "Bonds"). The Bonds are being issued pursuant to Resolution No. _____, adopted by the Agency on _____, 2010 (the "Bond Resolution") and an Indenture of Trust, dated as of _____ 1, 2010 (the "Indenture") between the Agency and U.S. Bank National Association, as trustee (the "Trustee"). The Bond Resolution and the Indenture are collectively referred to as the "Issuing Documents."

In that connection we have examined originals or copies certified or otherwise identified to my satisfaction of the Issuing Documents, the Continuing Disclosure Certificate for the Bonds (the "Continuing Disclosure Certificate") between the Agency and the Trustee, the Purchase Contract, dated _____, 2010 (the "Purchase Contract"), among the Agency, the Public Facilities Financing Authority of the City of San Diego (the "Authority"), and E. J. De La Rosa & Co., Inc., on behalf of itself and Piper Jaffray & Co. (collectively, the "Underwriters") and the Official Statement of the Agency, dated _____, 2010 (the "Official Statement") relating to the Bonds. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Issuing Documents.

Based on the foregoing, we are of the opinion that:

(i) The Agency is a public body, corporate and politic, duly organized and validly existing under the laws of the State.

(ii) The Indenture, the Purchase Contract and the Continuing Disclosure Certificate have been duly authorized, executed and delivered by the Agency and, assuming due authorization, execution and delivery by the other parties thereto, constitute the valid, legal and binding obligations of the Agency enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors rights and by the application of equitable principles if equitable remedies are sought.

(iii) The Bond Resolution has been duly adopted at a meeting of the governing body of the Agency, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout. The Bond Resolution is in full force and effect, have not been modified, amended or rescinded.

(iv) The execution and delivery of the Indenture, the Purchase Contract, and the Official Statement and compliance with the provisions of the Bond Resolution, the Indenture, the Purchase Contract and the Continuing Disclosure Certificate, under the circumstances contemplated thereby, (a) to the best of my knowledge based on inquiry deemed sufficient by me for the purpose of this opinion, do not and will not in any material respect conflict with or constitute on the part of the Agency a breach of or default under any agreement or other instrument to which the Agency is a party or by which it is bound, and (b) do not and will not in any material respect constitute on the part of the Agency a violation, breach of or default under any existing law, regulation, court order or consent decree to which the Agency is subject.

(v) The Official Statement has been duly authorized by the governing body of the Agency and executed on its behalf by an authorized officer of the Agency.

(vi) No additional authorization, approval, consent, waiver or any other action by any person, board or body, public or private, not previously obtained is required as of the date hereof for the Agency to adopt the Bond Resolution, to enter into the Indenture, the Purchase Contract or the Continuing Disclosure Certificates or to perform its obligations under the Bond Resolution, the Indenture or the Continuing Disclosure Certificate.

(vii) Except as otherwise disclosed in the Official Statement, to the best of our knowledge, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental Agency or body, pending against the Agency, challenging the creation, organization or existence of the Agency, or the validity of the Bonds or the Issuing Documents or the Continuing Disclosure Certificate or seeking to restrain or enjoin the repayment of the Bonds or in any way contesting or affecting the validity of the Bonds or the Issuing Documents or the Continuing Disclosure Certificates or any of the transactions referred to therein or contemplated thereby or contesting the authority of the Agency to enter into or perform its obligations under any of the Bonds or the Issuing Documents or the Continuing Disclosure Certificate, or which, in any manner, questions the right of the Agency to issue or to use the Tax Revenues for repayment of the Bonds or affects in any manner the right or ability of the Agency to enter into the Bonds or to collect or pledge the Tax Revenues for repayment of the Bonds.

(viii) With respect to the Official Statement, insofar as the statements therein purport to summarize information with respect to the legal status of the Agency, the authority to pledge the Tax Revenues, the legal status of the Redevelopment Project Areas and the authority of the Agency to expend proceeds of the Bonds for the proposed redevelopment activities, without having undertaken to determine independently the accuracy, completeness or fairness of such discussion, nothing has come to our attention which would lead us to believe that such discussion (excluding therefrom the financial and statistical data and forecasts included therein, and information included therein relating to The Depository Trust Company and the book-entry system, as to which no opinion is expressed) contains any untrue statement of a material fact or omits to state a material fact, necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Very truly yours,