

§ _____
CITY AND COUNTY OF SAN FRANCISCO
CERTIFICATES OF PARTICIPATION
(REHABILITATION DETENTION FACILITY PROJECT)
SERIES 201_

CERTIFICATE PURCHASE CONTRACT

_____, 201__

City and County of San Francisco
Office of Public Finance
City Hall, Room 336
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102

Ladies and Gentlemen:

_____ (the "*Representative*"), as representative of itself, _____ and _____ (collectively, the "*Underwriters*"), offers to enter into this Certificate Purchase Contract (this "*Purchase Contract*") with the City and County of San Francisco (the "*City*"), which will be binding upon the City and the Underwriters upon acceptance hereof by the City. This offer is made subject to the acceptance by the City by its execution of this Purchase Contract and its delivery to the Representative on or before 11:59 p.m., California time, on the date hereof and, if not so accepted, will be subject to withdrawal by the Representative upon written notice delivered to the City at any time prior to the acceptance of this Purchase Contract by the City. If the Representative withdraws this offer, or the Underwriters' obligation to purchase the Certificates (as hereinafter defined) is otherwise terminated pursuant to Section 8(d) hereof, then and in such case, the City shall be without any further obligation to the Underwriters, including the payment of any costs set forth under Section 10(a) hereof, and the City shall be free to sell the Certificates to any other party. The Representative represents that it has been duly authorized by the other Underwriters to act hereunder on its behalf and has full authority to take such action as it may deem advisable in respect of all matters pertaining to this Purchase Contract and that the Representative has been duly authorized to execute this Purchase Contract. Any action taken under this Purchase Contract by the Representative will be binding upon all the Underwriters.

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Trust Agreement dated as of _____, 201__ (the "*Trust Agreement*"), between the City and _____, as trustee (the "*Trustee*").

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations set forth herein, the Underwriters jointly and severally agree to purchase from the City, and the City hereby agrees to sell and deliver to, or for the account of, the Underwriters, all (but not less than all) of the \$_____ aggregate principal amount of City and County of San Francisco Certificates of Participation (Rehabilitation Detention Facility Project), Series 201_ (the “*Certificates*”).

The purchase price for the Certificates shall be \$_____ (comprised of the principal amount of the Certificates, plus a [net] original issue premium on the Certificates of _____, less an Underwriters’ discount in the amount of _____).

The Certificates shall be dated their date of delivery and shall have the maturities and bear interest at the rates per annum and have the yields all as set forth on Schedule I attached hereto. The Certificates shall be subject to optional and mandatory prepayment and sinking account prepayments prior to maturity as described in the Trust Agreement. The Certificates shall be substantially in the form described in, and shall be executed, delivered and secured under and pursuant to, the Trust Agreement. The Certificates shall be as otherwise described in the Official Statement (as hereinafter defined).

Section 2. Authorization and Purpose for the Certificates. The City has the authority to execute and deliver the Certificates pursuant to the Ordinance No. _____, adopted by the Board of Supervisors of the City on _____, 201__ and signed by the Mayor of the City on _____, 201__ (the “*Ordinance*”).

The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of ____1, 201__ (the “*Trust Agreement*”), by and between the City and _____, as trustee (the “*Trustee*”). The Certificates will represent direct, undivided fractional interests in certain rental payments (the “*Base Rental Payments*”) to be made by the City pursuant to a Lease Agreement, dated as of ____1, 201_ (the “*Lease Agreement*”), between the City and Trustee. Pursuant to the Lease Agreement, the City will pay the Base Rental Payments in consideration for use and occupancy of certain real property owned by the City (the “*Leased Property*”), which the City will initially lease to the Trustee pursuant to a Property Lease, dated as of ____ 1, 201_ (the “*Property Lease*”) and sublease back from the Trustee pursuant to the Lease Agreement.

The Certificates are being executed and delivered for the purposes of: (i) costs of the 201_ Project (as defined in the Trust Agreement), including repayment of commercial paper and interest thereon issued for such purpose; (ii) a debt service or other similar reserve, as appropriate; (iii) capitalized interest, if any; and (iv) costs of executing and delivering the Certificates (including the costs of prosecuting any validation action authorized herein).

The Certificates are payable solely from, and secured solely by, a pledge of and charge and lien upon the Base Rental Payments to be made by the City pursuant to the Lease Agreement and are payable to the Trustee by the City from its [General Fund] for the right by the City to use and occupy the Leased Property for so long as the City has such use and occupancy of the Leased Property. The City has covenanted under the Lease Agreement that it will take such

action as may be necessary to include the Base Rental Payments in its annual budget and to make the necessary annual appropriations therefor.

Section 3. Public Offering. It shall be a condition to the obligations of the Underwriters to purchase, accept delivery of and pay for the Certificates that the entire principal amount of the Certificates be sold and delivered by the City to the Underwriters. On or prior to the Closing Date (as hereinafter defined), the Underwriters will provide the City with information regarding the reoffering prices and yields on the Certificates, in substantially the form attached hereto as Appendix B, for purposes of determining the yield on the Certificates under Section 148 of the Internal Revenue Code of 1986, as amended. The Underwriters agree to make a bona fide public offering of all the Certificates, at prices not in excess of the prices or yields not lower than the yields as set forth in Schedule I hereto. The Underwriters will provide, consistent with the requirements of the Municipal Securities Rulemaking Board (the “MSRB”) Rule G-32, for the delivery of a copy of the Official Statement to each customer who purchases a Bond during the Underwriting Period (as hereinafter defined). Each Underwriter further agrees that it will comply with applicable laws and regulations, including without limitation Rule 15c2-12 and MSRB Rule G-17, in connection with the offering and sale of the Certificates. Subsequent to the initial public offering, the public offering prices of the Certificates may change as determined by the Underwriters to be necessary in connection with the marketing of the Certificates.

Section 4. Delivery of Official Statement. Prior to the date hereof, the City has provided to the Underwriters for review a form of the preliminary official statement relating to the Certificates dated _____, 201__ (including the cover page and appendices thereto (the “Preliminary Official Statement”), which, as of its date, a representative of the City on behalf of the City deemed final for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”), except for certain information permitted to be omitted therefrom by Rule 15c2-12. By its acceptance of this offer, the City hereby ratifies and consents to the use and distribution by the Underwriters of the Preliminary Official Statement in connection with the public offering and sale of the Certificates and the City has authorized the delivery of a final official statement relating to the Certificates dated the date hereof (both in print or electronic form) which will consist of the Preliminary Official Statement and all information previously permitted to have been omitted by Rule 15c2-12.

The City hereby acknowledges that the Preliminary Official Statement has been made available to investors on the Internet [at Imagemasters website at www.MuniOS.com]. The City hereby agrees to deliver or cause to be delivered to the Underwriters within seven (7) Business Days of the date hereof and in sufficient time to accompany any orders or confirmations from the Underwriters that request payment from any customers, not more than one hundred (100) copies of the final official statement (including all information permitted to be omitted by Rule 15c2-12 and any amendments or supplements to such official statement as have been approved by the City and the Representative) (the “Official Statement”) to enable the Underwriters to comply with the rules of the Securities and Exchange Commission (the “SEC”) and the MSRB. The City hereby approves of the use and distribution by the Underwriters of the Official Statement in connection with the offer and sale of the Certificates. At the time of or prior to the Closing Date (as hereinafter defined), the Representative shall file a copy of the Official Statement with the

MSRB or its designee (including the MSRB's Electronic Municipal Market Access system ("EMMA") or with any other repository approved from time to time by the SEC (either in addition to or in lieu of the filings referred to above).

The City will deliver the Continuing Disclosure Certificate substantially in the form set forth in the Preliminary Official Statement (the "*Continuing Disclosure Certificate*") on the Closing Date. The form of the Continuing Disclosure Certificate will also be set forth in the Official Statement.

Section 5. The Closing. At 8:00 a.m., California time, on _____, 201__, or at such other time or on such other date as the City and the Representative may agree (the "*Closing Date*"), the City shall deliver, or cause to be delivered to the Representative, through the Fast Automated Securities Transfer ("*FAST*") delivery system of The Depository Trust Company ("*DTC*"), the Certificates in book-entry eligible form, duly executed and authenticated, and registered in the name of Cede & Co., as nominee of DTC. Concurrently with the delivery of the Certificates to the Representative, the City will deliver the documents hereinafter mentioned at the offices of Norton Rose Fulbright US LLP (together with Curlls Bartling P.C., "*Co-Certificate Counsel*"), in Los Angeles, California, or another place to be mutually agreed upon by the City and the Representative. The Underwriters shall accept such delivery and pay the purchase price for the Certificates set forth in Section 1 by federal funds wire transferred in immediately available funds to the order of the Trustee for the account of the City. This payment for and delivery of the Certificates, together with the delivery of the aforementioned documents, is herein called the "*Closing*." The Underwriters shall order CUSIP identification numbers and the City, with the assistance of the Representative, shall cause such CUSIP identification numbers to be printed on the Certificates; *provided* that neither the failure to print such number on any Certificate nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriters to accept the Certificates. The Underwriters represent that the CUSIP numbers set forth on Schedule I hereof are the correct CUSIP numbers for the Certificates. The Certificates shall be made available to the Trustee at least two (2) business days prior to the Closing.

Section 6. Representations, Warranties and Agreements of the City. The City represents, warrants and agrees with the Underwriters as follows:

(a) *Due Organization, Existence and Authority.* The City is a duly constituted charter city and county duly organized and validly existing pursuant to its Charter and the Constitution and laws of the State, with full authority to: (i) adopt the Ordinance; (ii) execute and deliver the Trust Agreement, the Property Lease, the Lease Agreement, the Continuing Disclosure Certificate (collectively, the "*Certificate Documents*") and this Purchase Contract; (iii) approve the Official Statement and authorize its distribution by the Underwriters; and (iv) sell and deliver the Certificates to the Underwriters as provided herein.

(b) *Accuracy and Completeness of the Preliminary Official Statement and Official Statement.* The information with respect to the City and its activities as described in the Preliminary Official Statement, as supplemented and amended through the date hereof was, and such information in the Official Statement is, as of its date and at

all times subsequent thereto up and including the date of the Closing will be, true and correct in all material respects, contains and will contain no misstatement of any material fact and did not and will not omit any statement and information that is necessary to make the statements and information with respect to the City and its activities contained therein, in the light of the circumstances under which such statements were made, not misleading in any material respect, excluding in each case any information contained in the Preliminary Official Statement and the Official Statement relating to (i) the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, or other terms of the Certificates depending on such matters, (ii) DTC and the book-entry only system, and (iii) information provided by the Underwriters for inclusion in the Official Statement, including without limitation regarding the prices and yields of the Certificates under the caption "UNDERWRITING."

(c) *Amendment of Official Statement.* If, at any time prior to the "End of the Underwriting Period" (as defined below), an event occurs or facts or conditions become known of which the City has knowledge, which in the reasonable opinion of Co-Certificate Counsel, or the City Attorney might or would cause the information in the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City will notify the Representative, and if in the reasonable opinion of the Representative and the City, such event, fact or condition requires the preparation and publication of a supplement or amendment to the Official Statement, the City will amend or supplement the Official Statement in a form and in a manner reasonably approved by the Representative and the City, provided all expenses incurred in connection with preparing an amendment or supplement to the Official Statement will be paid by the City. As used herein and for the purposes of the foregoing, the term "End of the Underwriting Period" for the Certificates shall refer to the Closing, unless the City shall have been notified in writing to the contrary by the Representative on or prior to the Closing, but in any event not later than twenty-five (25) days following the Closing. For the purposes of this subsection, the City will furnish such information as the Underwriters may from time to time reasonably request in writing prior to the End of the Underwriting Period.

(d) *No Breach or Default.* As of the time of acceptance hereof and as of the Closing Date and except as otherwise disclosed in the Official Statement, neither the execution nor the delivery by the City of the Certificate Documents or this Purchase Contract, the adoption of the Ordinance, or the compliance by the City with such documents or authorizations, conflicts with or constitutes a material breach of, or default under, any applicable law or administrative regulation of the State or the United States, or any other statute or administrative rule or regulation, judgment, decree, order, license, permit, agreement or other instrument to which the City is subject, which breach, default or conflict would have a material adverse effect on the ability of the City to make Base Rental Payments or perform its obligations under the Certificate Documents or this Purchase Contract.

(e) *No Other Issuances of Certificates or Debt.* Between the time of acceptance hereof and the Closing Date, the City will not, without prior written notice to the Representative, issue any Certificates or securities or incur any other indebtedness secured by the Base Rental Payments.

(f) *No Litigation.* As of the date hereof and as of the Closing Date, and 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, regulatory agency, public board or body, pending or, to the knowledge of the City, threatened against the City: (i) affecting the existence of the City or the titles of its officers to their respective offices; (ii) seeking to restrain or to enjoin the sale or delivery of the Certificates or the application of the proceeds therefrom in accordance with the Trust Agreement; (iii) in any way contesting or affecting the validity or enforceability of the Certificates, any of the Certificate Documents or any action of the City authorizing the execution and delivery thereof; (iv) in any way contesting the completeness or accuracy of the Official Statement or any amendment or supplement thereto; or (v) contesting the powers of the City with respect to the Certificates or any action of the City authorizing the execution and delivery thereof, nor to the knowledge of the members of the City, as evidenced by the representative of the City signing this Purchase Contract, is there any basis therefor. As of the date hereof and as of the Closing Date, and 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, regulatory agency, public board or body, pending or, to the best knowledge of the City, threatened against the City in which a final adverse decision would materially and adversely affect its ability to pay the Base Rental Payments or the consummation of the transactions contemplated by this Purchase Contract or contesting in any way the completeness, accuracy or fairness of the Official Statement.

(g) *Further Cooperation; Blue Sky.* The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Representative may reasonably request in order to qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Representative may designate; *provided, however,* that the City will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

(h) *Continuing Disclosure.* [Based on a review of its previous undertakings and except as described in the Preliminary Official Statement and the Official Statement, during the past five years, the City has complied in all material respects with its prior continuing disclosure undertakings under Rule 15c2-12.]

Section 7. Representations, Warranties and Agreements of the Underwriters. The Underwriters represent, warrant and agree with the City that:

(a) The Underwriters have been duly authorized to enter into this Purchase Contract, and have duly authorized the Representative to act on behalf of the Underwriters with respect to this Purchase Contract.

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

(c) The Underwriters shall comply with the City's Contracting Requirements referenced in Section 11 below.

(d) The Underwriters shall comply with all SEC and MSRB rules applicable to the offering, sale and delivery of the Certificates to ultimate purchasers.

(e) The Underwriters shall comply with the City's policy and practice that the City shall not pay, and the Underwriters shall not pass through to the City, any fees that are assessed on the Underwriters as part of the Governmental Accounting Standards Board fee, as well as the MSRB Underwriting and Transaction Assessment, the SIFMA Municipal Assessment or any other industry related fees that are required to be paid solely by the Underwriters.

Section 8. Closing Conditions. The Underwriters have entered into this Purchase Contract in reliance upon the representations, warranties and agreements herein and the performance by the City of its obligations hereunder, both as of the date hereof and as of the Closing Date. The obligations of the Underwriters under this Purchase Contract are and shall be subject to the following conditions:

(a) *Bring-Down Representation.* The representations and warranties of the City contained herein shall be true, accurate and correct in all material respects at the date hereof, and on the Closing Date, as if made on the Closing Date.

(b) *Executed Documents and Performance Thereunder.* At the time of the Closing: (i) the Certificate Documents, this Purchase Contract and the Official Statement shall be in full force and effect, and shall not have been amended, modified or supplemented except with the consent of the Representative (which consent will not be unreasonably withheld); and (ii) the City shall perform or have performed all of its obligations required under or specified in this Purchase Contract, the Official Statement and the Certificate Documents to be performed prior to the Closing.

(c) *No Default.* At the time of the Closing, no default shall have occurred or be existing under the Trust Agreement or this Purchase Contract.

(d) *Termination Events.* The Representative may terminate this Purchase Contract by notification in writing to the City, but only after consultation with the City, if, at any time on or prior to the Closing, any of the following occurs and, as a result of the occurrence of such an event, the marketability of the Certificates or the market price thereof, in the reasonable opinion of the Representative, after consultation with the City, would be materially adversely affected *provided, however,* that, in the event the City and the Representative disagree as to the effect of the occurrence of such event on the ability of the Representative to market the Certificates, this Purchase Contract may only be terminated by the Representative after the Representative and the City shall have negotiated in good faith to determine if there is an alternate time, place and manner which would permit the Underwriters to successfully market the Certificates:

(i) any event shall occur which makes untrue any statement or results in an omission to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading and the City fails to amend or supplement the Official Statement pursuant to Section 6(c) hereof; or

(ii) an amendment to the Constitution of the United States or the Constitution of the State or legislation in or by the Congress of the United States or the legislature of the State, or the amendment of legislation pending as of the date of this Purchase Contract in the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority or the occurrence of any other comparable legislative or regulatory event affecting the federal or State tax status of the interest evidenced by the Certificates or certificates, bonds or obligations of the general character of the Certificates, provided that the occurrence of any such event shall not constitute a termination event hereunder if the prospect of such constitutional, legislative, regulatory or judicial action or enactment shall have been publicly known on the date hereof; or

(iii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State shall be rendered which, in the reasonable opinion of the Representative and upon consultation with the City, materially adversely affects the market price of the Certificates; or

(iv) a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange City or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Certificates, or the issuance, offering or sale of the Certificates, including all

underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Trust Agreement need be qualified under the Trust Agreement Act of 1939, as amended and as then in effect; or

(v) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, to the effect that obligations of the general character of the Certificates, or the Certificates, are not exempt from registration under the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Trust Agreement is not exempt from qualification under the Trust Agreement Act of 1939, as amended and as then in effect; or

(vi) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in the United States in securities generally by any governmental authority or by any national securities exchange; or

(vii) a general banking moratorium shall have been declared by federal, State or State of New York authorities or a disruption in securities settlement, payment or clearance services materially adversely affecting the Certificates has occurred; or

(viii) the ratings on the Certificates shall have been downgraded or withdrawn subsequent to the date of this Purchase Contract by one of the rating agencies rating the Certificates; or

(x) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national or international emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the reasonable judgment of the Underwriters, impracticable or inadvisable to proceed with the offering of the Certificates as contemplated in the Official Statement.

The termination of this Purchase Contract pursuant to this Section 8(d) by the Representative with respect to the Certificates shall not prohibit the City from selling such Certificates to any other underwriter.

(e) *Closing Documents.* At or prior to the Closing, the Representative shall receive with respect to the Certificates (unless the context otherwise indicates) the following documents, in each case satisfactory in form and substance to the Representative:

(1) *Approving Authorizations.* Certified copy of the Ordinance.

(2) *Certificate Documents.* Executed originals of the Trust Agreement, the Property Lease, the Lease Agreement and the Continuing Disclosure Certificate and this Purchase Contract.

(3) *Final Opinion.* An approving opinion or opinions of Co-Certificate Counsel, dated the Closing Date, and substantially in the form attached to the Official Statement, and a letter of such counsel addressed to the Representative to the effect that such opinion may be relied upon by the Representative to the same extent as if it had been addressed to them.

(4) *Supplemental Opinion.* A supplemental opinion or opinions of Co-Certificate Counsel addressed to the City and the Representative, dated the Closing Date, to the following effect:

(i) The statements contained in the Official Statement under the captions “THE CERTIFICATES,” “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES,” “TAX MATTERS,” Appendix C - “SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS,” and Appendix F— “PROPOSED FORM OF OPINION OF CO-CERTIFICATE COUNSEL,” insofar as such statements purport to summarize certain provisions of the Certificates, the Trust Agreement, and the opinion of Co-Certificate Counsel with respect to the exclusion from gross income of interest on the Certificates for federal income tax purposes are accurate in all material respects.

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

(iii) This Purchase Contract and the Certificate Documents have each been duly authorized, executed and delivered by the City and constitute the valid and binding agreements of the City, each enforceable in accordance with its respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other similar laws affecting enforcement of creditors’ rights, by the application of equitable principles if equitable remedies are sought and limitations on the enforcement of legal remedies against public agencies in the State.

(5) *Disclosure Counsel Opinion as to Official Statement.* An opinion of Hawkins Delafield and Wood LLP, as Disclosure Counsel to the City (“*Disclosure Counsel*”), addressed to the City and the Underwriters, dated the Closing Date, in form and substance satisfactory to the City and Underwriters.

(6) *Certificate of the City.* A certificate of the City dated the Closing Date, signed on behalf of the City by an authorized officer of the City, to the effect that:

(i) The representations and warranties of the City contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date.

(ii) No event affecting the City 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.

(7) *Certificate of the Trustee.* A certificate of the Trustee, dated the Closing Date, to the effect that:

(i) The Trustee is a national banking association organized and existing under the laws of the United States of America and has full power and is qualified to accept and comply with the terms of the Trust Agreement, the Property Lease and the Lease Agreement (together, the “*Trustee Documents*”) and to perform its obligations thereunder.

(ii) The Trustee has accepted the duties and obligations imposed on it by the Trustee Documents.

(iii) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the consummation by the Trustee of the transactions contemplated by the Trustee Documents to be undertaken by the Trustee.

(iv) Compliance with the terms of the Trustee Documents will not conflict with, result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which the Trustee is a party or by which it is bound, or, to the best knowledge of the Trustee, after reasonable investigation, any law, rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties (except that no representation, warranty or agreement is made by the Trustee with respect to any federal or state securities or Blue Sky laws or regulations).

(v) To the knowledge of the Trustee after due inquiry, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental agency, public board or body

served on or threatened against or affecting the existence of the Trustee, or in any way contesting or affecting the validity or enforceability of the Trust Documents or the Certificates, or contesting the powers of the Trustee or its authority to enter into and perform its obligations under the Trust Documents or the Certificates, wherein an unfavorable decision, ruling or finding would adversely affect the validity of the Certificates or the Trust Agreement.

(8) *Trustee's Counsel Opinion.* An opinion of counsel to the Trustee addressed to the City and the Representative, dated the Closing Date, to the effect that:

(i) The Trustee is a national banking association with trust powers, duly organized and validly existing and in good standing under the laws of the United States of America, having the legal authority to exercise trust powers in the State.

(ii) The Trustee has full legal power and adequate corporate authority to accept the duties and obligations imposed on it by the Trustee Documents and to authenticate the Certificates and the full legal power and authority to own its properties and to carry on its business.

(iii) The Certificates have been duly authenticated by the Trustee.

(iv) No consent, approval, authorization or order of any court, regulatory authority or governmental body is required for the valid authorization, execution and delivery of the Trustee Documents and the authentication of the Certificates or the consummation by the Trustee of the transactions contemplated in the Trustee Documents except such as have been obtained and except such as may be required under the state securities or Blue Sky laws in connection with the purchase and distribution of the Certificates by the Underwriters.

(v) Trustee's acceptance of its duties under the Trustee Documents and the authentication of the Certificates by the Trustee and performance by the Trustee of its obligations thereunder will not conflict with or result in a breach of any of the terms, conditions or provisions of its Articles of Association or Bylaws or any other agreement or instrument to which the Trustee is a party or by which it is bound or any other existing law, regulation, court order or consent decree to which the Trustee is subject or constitute a default thereunder.

(vi) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or 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 authentication of the Certificates by the Trustee, or contesting the powers of the Trustee or its authority to perform its obligations under the Trustee Documents or the Certificates.

(9) *Tax Certificate.* Tax Certificate of the City, dated the Closing Date, in form satisfactory to Co-Certificate Counsel.

(10) *California Debt and Investment Advisory City Filings.* Copies of the Report of Proposed Debt Issuance and Report of Final Sale required to be delivered to the California Debt and Investment Advisory City pursuant to Section 53583 of the Government Code and Section 8855(g) of the Government Code.

(11) *Continuing Disclosure Certificate.* An executed copy of the Continuing Disclosure Certificate in substantially the form attached to the Official Statement as Appendix D.

(12) *Rating Letters for the Certificates.* Rating letters of [Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business], evidencing that such rating agencies have assigned their municipal bond ratings of "___" and "___," respectively.

(13) *Opinion of the City Attorney.* An opinion of the City Attorney addressed to the Representative, dated the Closing Date, in form satisfactory to the Representative.

(14) *Blue Sky Memorandum.* A copy of the Blue Sky Memorandum with respect to the Certificates, prepared by _____, counsel to the Underwriters ("*Underwriters' Counsel*").

(15) *Opinion of the Underwriters' Counsel.* The opinion of Underwriters' Counsel, dated the Closing Date and addressed to the Representative, in form satisfactory to the Underwriters.

(16) *Additional Documents.* Such legal opinions, additional certificates, instruments and other documents as the Representative, Co-Certificate Counsel or the City Attorney may reasonably deem necessary to evidence the truth and accuracy as of the time of the Closing of the representations of the City and the due performance or satisfaction by the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the City.

If the City shall be unable to satisfy the conditions 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 the Underwriters and the City shall not be under further obligation hereunder, except as further set forth in Section 10 hereof.

Section 9. Good Faith Deposit. To secure the City from any loss resulting from the failure of the Underwriters to accept delivery of and pay the purchase price for the Certificates pursuant to the terms of this Purchase Contract, the Underwriters agree to deliver to or to the order of the City, concurrently with the execution and delivery of this Purchase Contract, either an official bank check (which may be deposited by the City upon receipt) or a federal funds wire transfer in the amount of \$_____ (the “*Good Faith Deposit*”). At the Closing, the Good Faith Deposit will be applied towards and deducted from the aggregate net purchase price for the Certificates as provided in Section 1 of this Purchase Contract. If the Underwriters fail to pay the purchase price in full upon tender of the Certificates (other than for a reason permitted under Section 8 hereof), the City may retain such Good Faith Deposit as and for liquidated damages for such failure by the Underwriters. In such circumstance, the Underwriters will have no right to recover the Good Faith Deposit or to any allowance or credit therefor. Retaining the Good Faith Deposit shall constitute the City’s sole and exclusive remedy and full liquidated damages for the Underwriters’ failure (other than for a reason expressly set forth herein) to purchase and accept delivery of the Certificates pursuant to the terms of this Purchase Contract and the Underwriters shall be released and discharged from any and all claims for damages by the City against the Underwriters related to such failure and any other defaults by Underwriters hereunder. The Underwriters and the City hereby acknowledge and agree that the amount fixed pursuant to this Section for liquidated damages does not constitute a penalty and is a reasonable estimate of the damages that the City would sustain in the event of the Underwriters’ failure to purchase and to accept delivery of the Certificates on the Closing Date pursuant to the terms of this Purchase Contract. Said amount is agreed upon and fixed as liquidated damages because of the difficulty of ascertaining as of the date hereof the actual amount of damages that would be sustained in such event. If the City fails to deliver the Certificates on the Closing Date pursuant to this Purchase Contract, or if the conditions to the obligations of the Underwriters to purchase, accept delivery of and pay for the Certificates as set forth in this Purchase Contract shall not be satisfied (unless waived in writing by the Representative pursuant to this Purchase Contract), or if this Purchase Contract is terminated for a reason set forth in Section 8 hereof, the City shall promptly return or cause the return of the Good Faith Deposit to the Underwriters. Upon such return of the Good Faith Deposit to the Underwriters, this Purchase Contract shall terminate, and neither party shall have any further obligations hereunder.

Section 10. Expenses.

(a) *City.* The City shall pay or cause to be paid (but solely from the proceeds of the Certificates and not otherwise) the expenses incident to the performance of the obligations of the City hereunder, including but not limited to: (1) the cost of printing of the Preliminary Official Statement and the final Official Statement in reasonable quantities and all other documents prepared in connection with the transactions contemplated hereby; (2) the fees and disbursements of the Trustee and counsel to the Trustee in connection with the issuance of the Certificates; (3) the fees and disbursements of Co-Certificate Counsel, Disclosure Counsel and of

Backstrom McCarley and Berry Co. LLC and KNN Public Finance, a division of Zions Public Finance Inc., as Co-Financial Advisors to the City, and any other experts or consultants retained by the City in connection with the transactions contemplated hereby; and (4) the costs related to obtaining ratings.

(b) *Underwriter.* The Underwriters shall pay: (1) the cost of preparation and printing of Blue Sky and Legal Investment Memoranda, if any, to be used by it; (2) all advertising expenses in connection with the public offering of the Certificates; (3) California Debt and Investment Advisory Commission fees; and (4) all other expenses incurred by the Underwriters in connection with its public offering and distribution of the Certificates, including, without limitation, any experts or other consultants hired or retained by the Underwriters, including Underwriters' counsel, the fees and charges of the CUSIP Bureau, the MSRB and the California Debt and Investment Advisory Commission. Certain expenses of the Underwriters may be included in the expense component of the Underwriters' discount. In addition, the City agrees to reimburse the Underwriters for any expenses incurred by the Underwriters on behalf of the City employees and representatives which are in connection with this Purchase Contract, including, but not limited to, meals, transportation and lodging of those employees and representatives, which expenses, if any, will be included in the expense component of the Underwriter's discount. The Representative agrees to provide the City with a detailed itemization of any such expenses incurred on behalf of the City employees or representatives prior to the Closing Date.

Section 11. City Contracting Requirements. The City Contracting Requirements set forth in Appendix A attached hereto are incorporated herein by this reference.

Section 12. Notices. Any notice or other communication to be given under this Purchase Contract to the City or the Underwriters may be given by delivering the same in writing at the addresses set forth below:

If to the City:

City and County of San Francisco
Office of Public Finance
City Hall, Room 336
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102
Telephone: (415) 554-5956
Fax: (415) 554-4864

If to the Underwriters:

Telephone: _____

Fax: _____

Section 13. Entire Agreement. This Purchase Contract, when accepted by the City, shall constitute the entire agreement between the City and the Underwriters and is made solely for the benefit of the City and the Underwriters (including the successors or assigns of any Underwriter with the consent of the City) and no other person shall acquire or have any right hereunder by virtue hereof. All of the City's representations, warranties and agreements in this Purchase Contract shall remain operative and in full force and effect, regardless of (a) any investigation made by or on behalf of the Underwriters, (b) delivery of and payment for the Certificates hereunder, and (c) any termination of this Purchase Contract.

Section 14. Counterparts. 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. This Purchase Contract may be signed in counterparts, and upon delivery to the other party of such signed Purchase Contract, which delivery may be by facsimile transmission, shall constitute the binding agreement of each party to this Purchase Contract.

Section 15. Mutual Reliance on Representations and Warranties. The City hereby acknowledges that the Underwriters, in executing this Purchase Contract and in paying for the Certificates as provided herein, are relying upon the representations and warranties of the City set forth herein. The Underwriters hereby acknowledge that the City, in executing this Purchase Contract and executing and delivering the Certificates described herein, is relying upon the representations and warranties of the Underwriters set forth herein.

Section 16. 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, but this Purchase Contract shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 17. State of California Law Governs. The validity, interpretation and performance of this Purchase Contract shall be governed by the laws of the State of California. This Purchase Contract shall be enforceable in the State of California, and any action arising out of this Purchase Contract shall be filed with and maintained in City and County of San Francisco Superior Court, San Francisco, California; provided, that the City may waive the requirement of venue.

Section 18. Limited Liability. The obligations and liabilities of the City hereunder are limited obligations of the City payable solely from Base Rental Payments, as defined and set forth in the Trust Agreement. None of the City, the Board, the officers or employees of the City, or any person executing this Purchase Contract shall be liable personally for the obligations of the City hereunder or be subject to any personal liability or accountability by reason of the execution hereof. Neither of the faith and credit nor the taxing power of the State or any political subdivision thereof, including the City, is pledged to the obligations of the City hereunder.

Section 19. No Fiduciary or Advisory Role; Arm's Length Transaction. The Underwriters and the City acknowledge and agree that (i) the purchase and sale of the

Certificates pursuant to this Purchase Contract is an arm's-length commercial transaction between City, on the one hand, and the Underwriters, on the other hand, (ii) in connection with such transaction, each Underwriter is acting solely as a principal and not as a municipal advisor, a financial advisor, or a fiduciary of the City, and may have financial and other interests that differ from those of the City, (iii) the Underwriters have not assumed (individually or collectively) a fiduciary responsibility in favor of the City with respect to the offering of the Certificates or the discussions, undertakings and procedures leading thereto (whether or not any Underwriter, or any affiliate of an Underwriter, has provided or is currently providing services or advice to City on other matters), (iv) the only obligations the Underwriters have to the City with respect to the transactions contemplated hereby are expressly set forth in this Purchase Contract, and (v) the City and the Underwriters have consulted with their respective legal, financial and other advisors to the extent they deemed appropriate in connection with the offering of the Certificates. None of the Underwriters is acting as a Municipal Advisor (as defined in Section 15B of the Exchange Act of 1934, as amended) in connection with the matters contemplated by this Purchase Contract.

[Remainder of Page Intentionally Left Blank]

Very truly yours,

_____,
as Representative

By: _____
Authorized Officer

Accepted as of the date first stated above:

CITY AND COUNTY OF SAN FRANCISCO

By: _____

Approved as to Form:

DENNIS J. HERRERA
City Attorney

By: _____
Mark D. Blake, Deputy City Attorney

[SIGNATURE PAGE TO CERTIFICATE PURCHASE CONTRACT
(REHABILITATION DETENTION FACILITY PROJECT) SERIES 201__]

**SCHEDULE I
TO THE PURCHASE CONTRACT**

MATURITY SCHEDULE

\$ _____

Certificates of Participation (Rehabilitation Detention Facility Project) Series 201_

Maturity <u>()</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP</u>
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**ATTACHMENT A
TO THE PURCHASE CONTRACT
CITY CONTRACTING REQUIREMENTS**