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**PUBLIC UTILITIES COMMISSION OF THE  
CITY AND COUNTY OF SAN FRANCISCO  
POWER REVENUE BONDS  
2015 SERIES A**

**BOND PURCHASE CONTRACT**

\_\_\_\_\_, 2015

Public Utilities Commission of the  
City and County of San Francisco  
525 Golden Gate Avenue, 13<sup>th</sup> Floor  
San Francisco, CA 94102

Ladies and Gentlemen:

Wells Fargo Bank, N.A. (the “*Underwriter*”), offers to enter into this Bond Purchase Contract (this “*Purchase Contract*”) with the Public Utilities Commission of the City and County of San Francisco (the “*Commission*”), which will be binding upon the Commission and the Underwriter upon acceptance hereof by the Commission. This offer is made subject to the acceptance by the Commission by its execution of this Purchase Contract and its delivery to the Underwriter 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 Underwriter upon written notice delivered to the Commission at any time prior to the acceptance of this Purchase Contract by the Commission. If the Underwriter withdraws this offer, or the Underwriter’s obligation to purchase the Bonds (as hereinafter defined) is otherwise terminated pursuant to Section 8(d) hereof, then and in such case, the Commission shall be without any further obligation to the Underwriter, including the payment of any costs set forth under Section 10(a) hereof, and the Commission shall be free to sell the Bonds to any other party.

The Underwriter represents that it 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 Underwriter has been duly authorized to execute this Purchase Contract.

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Trust Indenture dated as of \_\_\_\_\_, 2015 (the “*Master Indenture*”), between the Commission and \_\_\_\_\_, as trustee (the “*Trustee*”), as supplemented by a First Supplemental Trust Indenture, dated as of \_\_\_\_\_ 1, 2015 (the “*First Supplemental Indenture*”), between the Commission and the Trustee (the Master Indenture, as supplemented, being herein referred to as the “*Indenture*”).

**Section 1. Purchase and Sale.** Upon the terms and conditions and upon the basis of the representations set forth herein, the Underwriter agrees to purchase from the Commission, and the Commission hereby agrees to sell and deliver to, or for the account of, the Underwriter,

all (but not less than all) of the \$\_\_\_\_\_ aggregate principal amount of Public Utilities Commission of the City and County of San Francisco Power Revenue Bonds, 2015 Series A (the “Bonds”).

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

The Bonds shall be dated their date of delivery and shall have the maturities in principal amounts and bear interest at the rates per annum and have the yields all as set forth on Schedule I attached hereto. The Bonds shall be subject to optional and mandatory sinking fund redemption prior to maturity as shown on Schedule I. The Bonds shall be substantially in the form described in, and shall be issued and secured under and pursuant to, the Indenture. The Bonds shall be as otherwise described in the Official Statement (as hereinafter defined).

**Section 2. Authorization for the Bonds; Purpose of Issue.** The Commission has the authority to issue the Bonds under Sections 9.107(6) and 9.107(8) of the Charter (the “Charter”) of the City and County of San Francisco (the “City”), and pursuant to Ordinance No. \_\_\_\_\_, passed by the Board of Supervisors of the City on \_\_\_\_\_, 2014 and signed by the Mayor of the City on \_\_\_\_\_, 2014 and Ordinance No. \_\_\_\_\_, passed by the Board of Supervisors of the City on \_\_\_\_\_, 2014 and signed by the Mayor on \_\_\_\_\_, 2014 (together, the “Ordinances”), and Resolution No. \_\_\_\_\_, adopted by the Commission on \_\_\_\_\_, 2014 and Resolution No. \_\_\_\_\_ of the Commission adopted on \_\_\_\_\_, 2014 (the “Commission Resolutions”).

The Bonds are being issued to (i) finance various capital projects consisting of the reconstruction or replacement of existing water and/or electric power facilities of the Power Enterprise and of the acquisition, construction, installation, equipping, improvement or rehabilitation of equipment or facilities for renewable energy and energy conservation benefiting the Power Enterprise, (ii) pay capitalized interest on the Bonds, (iii) fund a debt service reserve account for the Bonds, and (iv) pay costs of issuance of the Bonds.

**Section 3. Public Offering.** It shall be a condition to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds that the entire principal amount of the Bonds be sold and delivered by the Commission to the Underwriter. On or prior to the Closing Date (as hereinafter defined), the Underwriter will provide the Commission with information regarding the reoffering prices and yields on the Bonds, in substantially the form attached hereto as Appendix B, for purposes of determining the yield on the Bonds under Section 148 of the Internal Revenue Code of 1986, as amended. The Underwriter agrees to make a bona fide public offering of all the Bonds, at prices not in excess of the prices or yields as set forth in Schedule I hereto. The Underwriter 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). The 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 Bonds. Subsequent to the initial public offering, the public

offering prices of the Bonds may change as determined by the Underwriter to be necessary in connection with the marketing of the Bonds.

**Section 4. Delivery of Official Statement.** Prior to the date hereof, the Commission has provided to the Underwriter for review a form of the preliminary official statement relating to the Bonds dated \_\_\_\_\_, 2015 (including the cover page and appendices thereto (the “*Preliminary Official Statement*”), which, as of its date, a representative of the Commission on behalf of the Commission 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 Commission hereby ratifies and consents to the use and distribution by the Underwriter of the Preliminary Official Statement in connection with the public offering and sale of the Bonds, and the Commission has authorized the delivery of a final official statement relating to the Bonds 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 Commission hereby acknowledges that the Preliminary Official Statement has been made available to investors on the Internet at [www.MuniOS.com](http://www.MuniOS.com). The Commission hereby agrees to deliver or cause to be delivered to the Underwriter within seven (7) Business Days of the date hereof and in sufficient time to accompany any orders or confirmations from the Underwriter 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 Commission and the Underwriter) (the “*Official Statement*”) to enable the Underwriter to comply with the rules of the Securities and Exchange Commission (the “*SEC*”) and the MSRB. The Commission hereby approves of the use and distribution by the Underwriter of the Official Statement in connection with the offer and sale of the Bonds. At the time of or prior to the Closing Date (as hereinafter defined), the Underwriter 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 Commission 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 \_\_\_\_\_, 2015 or at such other time or on such other date as the Commission and the Underwriter may agree (the “*Closing Date*”), the Commission shall deliver, or cause to be delivered to the Underwriter, through the Fast Automated Securities Transfer (“*FAST*”) delivery system of The Depository Trust Company (“*DTC*”), the Bonds 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 Bonds to the Underwriter, the Commission will deliver the documents hereinafter mentioned at the offices of Orrick, Herrington & Sutcliffe LLP (together with Curlls Bartling P.C., “*Co-Bond Counsel*”), in San Francisco, California, or another place to be mutually agreed upon by the Commission

and the Underwriter. The Underwriter shall accept such delivery and pay the purchase price for the Bonds set forth in Section 1 by federal funds wire transfer in immediately available funds to the order of the Trustee for the account of the Commission. This payment for and delivery of the Bonds, together with the delivery of the aforementioned documents, is herein called the “Closing.” The Underwriter shall order CUSIP identification numbers and the Commission shall cause such CUSIP identification numbers to be printed on the Bonds; *provided*, that neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept the Bonds. The Underwriter represents that the CUSIP numbers set forth on Schedule I hereof are the correct CUSIP numbers for the Bonds. The Bonds 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 Commission.** The Commission represents, warrants and agrees with the Underwriter as follows:

(a) *Due Organization, Existence and Authority.* The Commission is a duly constituted public commission of the City and County of San Francisco duly organized and validly existing pursuant to its Charter and the Constitution and laws of the State, with full authority to: (i) adopt the Commission Resolutions; (ii) execute and deliver the Master Indenture, the First Supplemental Indenture, the Continuing Disclosure Certificate and this Purchase Contract; (iii) approve the Official Statement and authorize its distribution by the Underwriter; and (iv) sell and deliver the Bonds to the Underwriter as provided herein.

(b) *Accuracy and Completeness of the Preliminary Official Statement and Official Statement.* The information with respect to the Commission, its activities and the Power Enterprise as described in the Preliminary Official Statement, as supplemented and amended through the date hereof was, and such information in the Official Statement, as of its date and at all times subsequent thereto up to 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 Commission, its activities and the Power Enterprise 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 Bonds depending on such matters, (ii) DTC and the book-entry only system, and (iii) information provided by the Underwriter for inclusion in the Official Statement, including without limitation information regarding the prices and yields of the Bonds and under the caption “UNDERWRITING.”

(c) *Amendment to 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 Commission has knowledge, which in the reasonable opinion of Co-Bond Counsel, General Counsel to the Commission 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 Commission will notify the Underwriter, and if in the reasonable opinion of the Underwriter and the Commission, such event, fact or condition requires the preparation and publication of a supplement or amendment to the Official Statement, the Commission will amend or supplement the Official Statement in a form and in a manner reasonably approved by the Underwriter and the Commission, provided all expenses incurred in connection with preparing an amendment or supplement to the Official Statement will be paid by the Commission. As used herein and for the purposes of the foregoing, the term “*End of the Underwriting Period*” for the Bonds shall refer to the Closing, unless the Commission shall have been notified in writing to the contrary by the Underwriter on or prior to the Closing, but in any event not later than the date twenty-five (25) days following the Closing. For the purposes of this subsection, the Commission will furnish such information as the Underwriter 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 Commission of the Indenture, the Continuing Disclosure Certificate or this Purchase Contract, the adoption of the Commission Resolutions, or the compliance by the Commission 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 instrument to which the Commission is subject, which breach, default or conflict would have a material adverse effect on the ability of the Commission to pay the Bonds or perform its obligations under the Indenture, the Continuing Disclosure Certificate or this Purchase Contract.

(e) *No Other Bond Issues or Debt.* Between the time of acceptance hereof and the Closing Date, the Commission will not, without prior notice to the Underwriter, issue any bonds or securities or incur any other indebtedness secured by the Revenues.

(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 Commission, threatened against the Commission: (i) affecting the existence of the Commission or the titles of its officers to their respective offices; (ii) seeking to restrain or to enjoin the sale or delivery of the Bonds or the application of the proceeds therefrom in accordance with the Indenture; (iii) in any way contesting or affecting the validity or enforceability of the Bonds, the Indenture or any action of the Commission authorizing the issuance, execution or 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 Commission with respect to the Bonds or any action of the Commission authorizing the

issuance, execution or delivery thereof, nor to the knowledge of the Commission, as evidenced by the representative of the Commission 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, proceedings, 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 Commission, threatened against the Commission in which a final adverse decision would materially and adversely affect the operations of the Power Enterprise, Net Revenues 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 Commission will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order to qualify the Bonds 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 Underwriter may designate; *provided, however,* that the Commission 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.* During the past five years, the Commission has complied in all material respects with its prior continuing disclosure undertakings under Rule 15c2-12.

**Section 7. Representations, Warranties and Agreements of the Underwriter.** The Underwriter represents, warrants and agrees with the Commission that:

(a) The Underwriter has been duly authorized to enter into this Purchase Contract.

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

(c) The Underwriter shall comply with all SEC and MSRB rules applicable to the offering, sale and delivery of the Bonds to ultimate purchasers.

(d) The Underwriter shall comply with the Commission's policy and practice that the Commission shall not pay, and the Underwriter shall not pass through to the Commission, any fees that are assessed on the Underwriter 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 Underwriter.

**Section 8. Closing Conditions.** The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties and agreements herein and the performance by the Commission of its obligations hereunder, both as of the date hereof and as of

the Closing Date. The obligations of the Underwriter under this Purchase Contract are and shall be subject to the following conditions:

(a) *Bring-Down Representation.* The representations and warranties of the Commission 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 Indenture, 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 Underwriter (which consent will not be unreasonably withheld); and (ii) the Commission shall perform or have performed all of its obligations required under or specified in this Purchase Contract, the Official Statement and the Indenture 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 Indenture or this Purchase Contract.

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

(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 Commission 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 on the Bonds or bonds or obligations of the general character of the Bonds; 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 ; or

(iv) a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission 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 Bonds, or the issuance, offering or sale of the Bonds, 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 Indenture need be qualified under the Trust Indenture 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 Bonds, or the Bonds, 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 Indenture is not exempt from qualification under the Trust Indenture 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 has occurred; or

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

(ix) 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 termination of this Purchase Contract pursuant to this Section 8(d) by the Underwriter with respect to the Bonds shall not prohibit the Commission from selling such Bonds to any other underwriter.

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

(1) *Approving Authorizations.* Certified copies of the Ordinances and Commission Resolutions.

(2) *Bond Documents.* Executed originals of the Master Indenture, the First Supplemental Indenture, the Continuing Disclosure Certificate and this Purchase Contract.

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

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

(i) The statements contained in the Official Statement under the captions “THE 2015 SERIES A BONDS,” “SECURITY FOR THE BONDS,” “TAX MATTERS,” Appendix A—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE,” and Appendix D—“FORM OF OPINION OF CO-BOND COUNSEL,” insofar as such statements purport to summarize certain provisions of the Bonds, the Indenture, and the opinion of Co-Bond Counsel with respect to the exclusion from gross income of interest on the Bonds for federal income tax purposes are accurate in all material respects.

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

(iii) This Purchase Contract, the Master Indenture, the First Supplemental Indenture and the Continuing Disclosure Certificate have each been duly authorized, executed and delivered by the Commission and constitute the valid, legal and binding agreements of the Commission, 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 Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the Commission, addressed to the Commission and the Underwriter, dated the Closing Date, to the effect that, on the date of the Official Statement and as of the Closing Date, while such counsel is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Official Statement, based upon such counsel's participation in conferences during which the contents of the Official Statement were discussed, no information came to such counsel's attention which caused such counsel to believe that the Official Statement (except for the financial, statistical or economic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, CUSIP numbers, any information regarding DTC and its book-entry system, any information contained in Appendices included therein (other than Appendix \_), and any information incorporated by reference into the Official Statement, as to which no opinion or view need be expressed) contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

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

(i) The representations and warranties of the Commission 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 Commission 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 Indenture and to perform its obligations thereunder.

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

(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 Indenture to be undertaken by the Trustee.

(iv) Compliance with the terms of the Indenture 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 Indenture or the Bonds, or contesting the powers of the Trustee or its authority to enter into and perform its obligations under the Indenture or the Bonds, wherein an unfavorable decision, ruling or finding would adversely affect the validity of the Bonds or the Indenture.

(8) *Trustee's Counsel Opinion.* An opinion of counsel to the Trustee addressed to the Commission and the Underwriter, 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 Indenture and to authenticate the Bonds and the full legal power and authority to own its properties and to carry on its business.

(iii) The Bonds 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 Indenture and the authentication of the Bonds or the consummation by the Trustee of the

transactions contemplated in the Indenture 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 Bonds by the Underwriter.

(v) Trustee's acceptance of its duties under the Indenture and the authentication of the Bonds 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 Bonds by the Trustee, or contesting the powers of the Trustee or its authority to perform its obligations under the Indenture or the Bonds.

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

(10) *California Debt and Investment Advisory Commission 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 Commission 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 E.

(12) *Rating Letters for the Bonds.* Rating letters of Fitch Ratings ("*Fitch*") and Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("*S&P*"), 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 Underwriter, dated the Closing Date, in form satisfactory to the Underwriter.

(14) *Blue Sky Memorandum.* A copy of the Blue Sky Memorandum with respect to the Bonds, prepared by Nossaman LLP, counsel to the Underwriter (“*Underwriter’s Counsel*”).

(15) *Opinion of the Underwriter’s Counsel.* The opinion of Underwriter’s Counsel, dated the Closing Date and addressed to the Underwriter, to the effect that: (a) the Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended, and the Continuing Disclosure Certificate satisfies paragraph (b)(5) of Rule 15c2-12; and (b) without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement and based upon the information made available to them in the course of their participation in the preparation of the Official Statement as counsel for the Underwriter, nothing has come to their attention which would cause them to believe that the Preliminary Official Statement, as of the date of this Purchase Contract, or the Official Statement, as of the date thereof and as of the Closing Date, contained any untrue statement of a material fact or omitted 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; *provided* that no opinion need be expressed with respect to the financial statements and the statistical data included in the Official Statement, and Appendices A through E thereto, and information regarding DTC and its book-entry only system.

(16) *Additional Documents.* Such legal opinions, additional certificates, instruments and other documents as the Underwriter, Co-Bond 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 Commission and the due performance or satisfaction by the Commission at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Commission.

If the Commission shall be unable to satisfy the conditions contained in this Purchase Contract, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and the Underwriter and the Commission shall not be under further obligation hereunder, except as further set forth in Section 10 hereof.

**Section 9. Good Faith Deposit.** To secure the Commission from any loss resulting from the failure of the Underwriter to accept delivery of and pay the purchase price for the Bonds pursuant to the terms of this Purchase Contract, the Underwriter agrees to deliver to or to the order of the Commission, concurrently with the execution and delivery of this Purchase Contract, either an official bank check (which may be deposited by the Commission 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 Bonds as provided in Section 1 of this Purchase Contract. If the Underwriter fails to pay the purchase price in full upon tender of the Bonds

(other than for a reason permitted under Section 8 hereof), the Commission may retain such Good Faith Deposit as and for liquidated damages for such failure by the Underwriter. In such circumstance, the Underwriter 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 Commission's sole and exclusive remedy and full liquidated damages for the Underwriter's failure (other than for a reason expressly set forth herein) to purchase and accept delivery of the Bonds pursuant to the terms of this Purchase Contract and the Underwriter shall be released and discharged from any and all claims for damages by the Commission against the Underwriter related to such failure and any other defaults by Underwriter hereunder. The Underwriter and the Commission 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 Commission would sustain in the event of the Underwriter's failure to purchase and to accept delivery of the Bonds 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 Commission fails to deliver the Bonds on the Closing Date pursuant to this Purchase Contract, or if the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds as set forth in this Purchase Contract shall not be satisfied (unless waived in writing by the Underwriter pursuant to this Purchase Contract), or if this Purchase Contract is terminated for a reason set forth in Section 8 hereof, the Commission shall promptly return or cause the return of the Good Faith Deposit to the Underwriter. Upon such return of the Good Faith Deposit to the Underwriter, this Purchase Contract shall terminate, and neither party shall have any further obligations hereunder.

***Section 10. Expenses.***

(a) *Commission.* The Commission shall pay or cause to be paid (but solely from the proceeds of the Bonds and not otherwise) the expenses incident to the performance of the obligations of the Commission 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 Bonds; (3) the fees and disbursements of Co-Bond Counsel and Disclosure Counsel and of Public Financial Management, Inc. and Kitahata & Company, as Co-Financial Advisors to the Commission, and any other experts or consultants retained by the Commission in connection with the transactions contemplated hereby; and (4) the costs related to obtaining ratings.

(b) *Underwriter.* The Underwriter 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 Bonds; (3) California Debt and Investment Advisory Commission fees; and (4) all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds, including, without limitation, any experts or other consultants hired or retained by the Underwriter, including Underwriter's counsel, the fees and charges of the CUSIP Bureau, and the MSRB and the California Debt and Investment Advisory Commission.

**Section 11. City Contracting Requirements.** The provisions 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 Commission or the Underwriter may be given by delivering the same in writing at the addresses set forth below:

If to the Commission:

Public Utilities Commission of the  
City and County of San Francisco  
525 Golden Gate Avenue, 13<sup>th</sup> Floor  
San Francisco, California 94102  
Attention: Chief Financial Officer  
Telephone: (415) 554-3155  
Fax: (415) 554-3161

With a copy to:

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 Underwriter:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Telephone: \_\_\_\_\_  
Fax: \_\_\_\_\_

**Section 13. Entire Agreement.** This Purchase Contract, when accepted by the Commission, shall constitute the entire agreement between the Commission and the Underwriter and is made solely for the benefit of the Commission and the Underwriter (including the successors or assigns of any Underwriter with the consent of the Commission) and no other person shall acquire or have any right hereunder by virtue hereof. All of the Commission's representations, covenants 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 Underwriter, (b) delivery of and payment for the Bonds 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 Commission hereby acknowledges that the Underwriter, in executing this Purchase Contract and in paying for the Bonds as provided herein, is relying upon the representations of the Commission set forth herein. The Underwriter hereby acknowledges that the Commission, in executing this Purchase Contract and issuing the Bonds described herein, is relying upon the representations and warranties of the Underwriter 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 Commission may waive the requirement of venue.

*Section 18. Limited Liability.* The obligations and liabilities of the Commission hereunder are limited obligations of the Commission payable solely from Revenues as defined and set forth in the Indenture. None of the Commissioners, the officers or employees of the Commission, or any person executing this Purchase Contract shall be liable personally for the obligations of the Commission 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 Commission hereunder.

*Section 19. No Fiduciary or Advisory Role; Arm's Length Transaction.* The Underwriter and the Commission acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between Commission, on the one hand, and the Underwriter, on the other hand, (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as a municipal advisor, a financial advisor, or a fiduciary of the Commission, and may have financial and other interests that differ from those of the Commission, (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the Commission with respect to the offering of the Bonds 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 Commission on other matters), and (iv) the Commission and the Underwriter have consulted



with their respective legal, financial and other advisors to the extent they deemed appropriate in connection with the offering of the Bonds. The Underwriter is not acting as a Municipal Advisor to the Commission (as defined in Section 15B of the Exchange Act of 1934, as amended) in connection with the matters contemplated by this Purchase Contract.

Very truly yours,

WELLS FARGO BANK, N.A.,  
as Underwriter

By: \_\_\_\_\_

Authorized Officer

Accepted as of the date first stated above:

PUBLIC UTILITIES COMMISSION OF THE  
CITY AND COUNTY OF SAN FRANCISCO

By: \_\_\_\_\_

General Manager

Approved as to Form:

DENNIS J. HERRERA  
City Attorney

By: \_\_\_\_\_

Mark D. Blake, Deputy City Attorney

**SCHEDULE I**  
**TO THE PURCHASE CONTRACT**

**MATURITY SCHEDULE**

\$ \_\_\_\_\_

**2015 Series A**

<b>Maturity <u>( )</u></b>	<b>Principal <u>Amount</u></b>	<b>Interest <u>Rate</u></b>	<b><u>Yield</u></b>	<b><u>Price</u></b>	<b><u>CUSIP</u></b>
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## APPENDIX A

### CITY CONTRACTING PROVISIONS [To be updated]

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

(a) *Conflict of Interest.* By the execution of this Purchase Contract, the Underwriter acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitute a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Purchase Contract.

(b) *Proprietary or Confidential Information of City.* The Underwriter agrees to maintain the confidentiality of the Information (as defined hereinbelow), except that Information may be disclosed (a) to its and its affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Purchase Contract, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Purchase Contract or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this section, to (i) any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Purchase Contract or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the City and its obligations, (g) with the consent of the City or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this section or (ii) becomes available to the Underwriter on a nonconfidential basis from a source other than the City. For the purposes of this Section, "*Information*" means all information received from the City relating to the City or its business, other than any such information that is available to the Issuing Underwriter on a nonconfidential basis prior to disclosure by the City; *provided* that, in the case of information received from the City after the date hereof, such information is clearly identified at the time of delivery as confidential. Any person required to maintain the confidentiality of Information as provided in this section shall be considered to have complied with its obligation to do so if such person has exercised the same degree of care to maintain the confidentiality of such Information as such person would apply to its own confidential information.

(c) *Ownership of Results.* Any interest of the Underwriter's Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by the Underwriter or its Subcontractors in connection with services to be performed under this Purchase Contract, shall become the

property of and will be transmitted to City. However, the Underwriter may retain and use copies for reference and as documentation of their experience and capabilities.

(d) *Works for Hire.* If, in connection with services performed under this Purchase Contract, the Underwriter or its Subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the City. If it is ever determined that any works created by the Underwriter or its Subcontractors under this Purchase Contract are not works for hire under U.S. law, the Underwriter hereby assigns all copyrights to such works to the City, and agree to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the City, the Underwriter may retain and use copies of such works for reference and as documentation of its experience and capabilities.

(e) *Audit and Inspection of Records.* The Underwriter agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its work under this Purchase Contract. The Underwriter will permit City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records of personnel and other data related to all other matters covered by this Purchase Contract, whether funded in whole or in part under this Purchase Contract. The Underwriter shall maintain such data and records in an accessible location and condition for a period of not less than five (5) years after final payment under this Purchase Contract or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Purchase Contract shall have the same rights conferred upon City by this Section.

(f) *Subcontracting.* The Underwriter is prohibited from subcontracting this Purchase Contract or any part of it unless such subcontracting is first approved by City in writing. Neither party shall, on the basis of this Purchase Contract, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

(g) *Assignment.* The services to be performed by the Underwriter is personal in character and neither this Purchase Contract nor any duties or obligations hereunder may be assigned or delegated by the Underwriter unless first approved by City by written instrument executed and approved in the same manner as this Purchase Contract.

(h) *Non-Waiver of Rights.* The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce any provisions of this Purchase Contract thereafter.

(i) *Earned Income Credit (EIC) Forms.* Administrative Code section 120 requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these

forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found. The Underwriter shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty (30) days following the date on which this Purchase Contract becomes effective (unless the Underwriter has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by the Underwriter; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Purchase Contract. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Underwriter of the terms of this Purchase Contract. If, within thirty days after the Underwriter receives written notice of such a breach, said Underwriter fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, said Underwriter fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Purchase Contract or under applicable law. Any Subcontract entered into by the Underwriter shall require the Subcontractor to comply, as to the Subcontractor's Eligible Employees, with each of the terms of this Section. Capitalized terms used in this Section and not defined in this Purchase Contract shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

(j) *Local Business Enterprise Utilization; Liquidated Damages*

*i. The LBE Ordinance.* The Underwriter shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "*LBE Ordinance*"), provided such amendments do not materially increase the Underwriter's obligations or liabilities, or materially diminish the Underwriter's rights under this Purchase Contract. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Purchase Contract as though fully set forth in this Section. Any Underwriter's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of the Underwriter's obligations under this Purchase Contract and shall entitle City, subject to any applicable notice and cure provisions set forth in this Purchase Contract, to exercise any of the remedies provided for under this Purchase Contract, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Purchase Contract expressly provides that any remedy is exclusive. In addition, the Underwriter shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

*ii. Compliance and Enforcement.* If any Underwriter willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Purchase Contract pertaining to LBE participation, the Underwriter shall be liable for liquidated damages in an amount equal to the Underwriter's net profit on this Purchase Contract, or ten percent (10%) of the total amount of this Purchase Contract, or one thousand dollars (\$1,000), whichever is greatest. The Director of the City's Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "*Director of HRC*") may also impose other sanctions against the Underwriter authorized in the LBE Ordinance, including declaring the Underwriter to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Underwriter's LBE certification. The Director of HRC will determine the sanctions to be

imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17. By entering into this Purchase Contract, the Underwriter acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to City upon demand. The Underwriter further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to the Underwriter on any contract with City. The Underwriter agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three (3) years following termination or expiration of this Purchase Contract, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

(k) *Nondiscrimination; Penalties*

*i. The Underwriter Shall Not Discriminate.* In the performance of this Purchase Contract, the Underwriter agrees not to discriminate against any employee, City or County employee working with such Underwriter or Subcontractor, applicant for employment with such Underwriter or Subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

*ii. Subcontracts.* The Underwriter shall incorporate by reference in all of its respective subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) entered into in connection with the services provided hereunder by the Underwriter and shall require all Subcontractors to comply with such provisions. The Underwriter's failure to comply with the obligations in this subsection shall constitute a material breach of this Purchase Contract.

*iii. Nondiscrimination in Benefits.* The Underwriter does not, as of the date of this Purchase Contract, and will not, during the term of this Purchase Contract, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

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

v. Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Purchase Contract as though fully set forth herein. The Underwriter shall comply fully with and be bound by all of the provisions that apply to this Purchase Contract under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, the Underwriter understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of fifty dollars (\$50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Purchase Contract may be assessed against the offending Underwriter and/or deducted from any payments due to the Underwriter.

(l) *MacBride Principles—Northern Ireland.* Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the Underwriter acknowledges and agrees that he or she has read and understood this Section.

(m) *Tropical Hardwood and Virgin Redwood Ban.* Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges the Underwriter not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

(n) *Drug-Free Workplace Policy.* The Underwriter acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. The Underwriter agrees that any violation of this prohibition by the Underwriter or its employees, agents or assigns will be deemed a material breach of this Purchase Contract.

(o) *Resource Conservation.* Chapter 5 of the San Francisco Environment Code (“*Resource Conservation*”) is incorporated herein by reference. Failure by the Underwriter to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of this Purchase Contract.

(p) *Compliance with Americans with Disabilities Act.* The Underwriter acknowledges that, pursuant to the Americans with Disabilities Act (ADA) programs, services and other activities provided by a public entity to the public, whether directly or through an Underwriter, must be accessible to the disabled public. The Underwriter shall provide the services specified in this Purchase Contract in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. The Underwriter agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Purchase Contract and further agree that any violation of this prohibition on the part of the Underwriter or its employees, agents or assigns will constitute a material breach of this Purchase Contract.



(q) *Sunshine Ordinance.* In accordance with San Francisco Administrative Code §67.24(e), contracts, Underwriter's bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

(r) *Public Access to Meetings and Records.* If an Underwriter receives a cumulative total per year of at least two hundred fifty thousand dollars (\$250,000) in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, the Underwriter shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Purchase Contract, the Underwriter agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. The Underwriter further agrees to make good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Underwriter acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Purchase Contract. The Underwriter further acknowledges that such material breach of the Purchase Contract shall be grounds for the City to terminate and/or not renew the Purchase Contract, partially or in its entirety.

(s) *Limitations on Contributions.* Through execution of this Purchase Contract, the Underwriter acknowledges that it is familiar with Section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. The Underwriter acknowledges that the foregoing restriction applies only if the Purchase Contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of fifty thousand dollars (\$50,000) or more. The Underwriter further acknowledges that the prohibition on contributions applies to each prospective party to the Purchase Contract; each member of the Underwriter's board of directors; the Underwriter's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in the Underwriter; any Subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by the Underwriter. Additionally, the Underwriter acknowledges that the Underwriter must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. The Underwriter further agrees to provide to City, upon request, the names of each person, entity or committee described above.

(t) *Requiring Minimum Compensation for Covered Employees*

*i.* The Underwriter agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (“MCO”), as set forth in San Francisco Administrative Code Chapter 12P (“*Chapter 12P*”), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Purchase Contract as though fully set forth. The text of the MCO is available on the web at [www.sfgov.org/olse/mco](http://www.sfgov.org/olse/mco). A partial listing of some of the Underwriter’s obligations under the MCO is set forth in this Section. The Underwriter is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

*ii.* The MCO requires the Underwriter to pay the Underwriter’s employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and the Underwriter is obligated to keep informed of the then-current requirements. Any subcontract entered into by the Underwriter shall require the Subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is the Underwriter’s obligation to ensure that any Subcontractors of any tier under this Purchase Contract comply with the requirements of the MCO. If any Subcontractor under this Purchase Contract fails to comply, City may pursue any of the remedies set forth in this Section against the Underwriter.

*iii.* The Underwriter shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within ninety (90) days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

*iv.* The Underwriter shall maintain employee and payroll records as required by the MCO. If the Underwriter fails to do so, it shall be presumed that the Underwriter paid no more than the minimum wage required under State law.

*v.* The City is authorized to inspect the Underwriter’s job sites and conduct interviews with employees and conduct audits of the Underwriter.

*vi.* The Underwriter’s commitment to provide the Minimum Compensation is a material element of the City’s consideration for this Purchase Contract. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Underwriter fails to comply with these requirements. The Underwriter agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for the Underwriter’s noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

*vii.* The Underwriter understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available

under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within thirty (30) days after receiving written notice of a breach of this Purchase Contract for violating the MCO, the breaching Underwriter fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, the breaching Underwriter fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

*viii.* The Underwriter represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

*ix.* If an Underwriter is exempt from the MCO when this Purchase Contract is executed because the cumulative amount of agreements with this department for the fiscal year is less than twenty-five thousand dollars (\$25,000), but the Underwriter later enters into an agreement or agreements that cause the Underwriter to exceed that amount in a fiscal year, the Underwriter shall thereafter be required to comply with the MCO under this Purchase Contract. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Underwriter and this department to exceed twenty-five thousand dollars (\$25,000) in the fiscal year.

*(u) Requiring Health Benefits for Covered Employees*

The Underwriter agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (“HCAO”), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated by reference and made a part of this Purchase Contract as though fully set forth herein. The text of the HCAO is available on the web at [www.sfgov.org/olse](http://www.sfgov.org/olse). Capitalized terms used in this Section and not defined in this Purchase Contract shall have the meanings assigned to such terms in Chapter 12Q.

*i.* For each of its Covered Employees, the Underwriter shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If the Underwriter chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

*ii.* Notwithstanding the above, if the Underwriter is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

*iii.* An Underwriter’s failure to comply with the HCAO shall constitute a material breach of this agreement. City shall notify the Underwriter if such a breach has occurred. If, within thirty (30) days after receiving City’s written notice of a breach of this Purchase Contract for violating the HCAO, the breaching Underwriter fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, the

breaching Underwriter fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

*iv.* Any Subcontract entered into by the Underwriter shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. The Underwriter shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. The Underwriter shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against the Underwriter based on the Subcontractor's failure to comply, provided that City has first provided the Underwriter with notice and an opportunity to obtain a cure of the violation.

*v.* No Underwriter shall discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to the Underwriter's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

*vi.* The Underwriter represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

*vii.* The Underwriter shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the Purchase Contract.

*viii.* The Underwriter shall keep itself informed of the current requirements of the HCAO.

*ix.* The Underwriter shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

*x.* The Underwriter shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten (10) business days to respond.

*xi.* The Underwriter shall allow City to inspect the Underwriter's job sites and have access to the Underwriter's employees in order to monitor and determine compliance with HCAO.

*xii.* City may conduct random audits of the Underwriter to ascertain its compliance with HCAO. The Underwriter agrees to cooperate with City when it conducts such audits.

*xiii.* If an Underwriter is exempt from the HCAO when this Purchase Contract is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but the Underwriter later enters into an agreement or agreements that cause the Underwriter's aggregate amount of all agreements with City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Underwriter and the City to be equal to or greater than \$75,000 in the fiscal year.

(v) *Prohibition on Political Activity with City Funds.* In accordance with San Francisco Administrative Code Chapter 12.G, the Underwriter may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "*Political Activity*") in the performance of the services provided under this Purchase Contract. The Underwriter agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event an Underwriter violates the provisions of this Section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Purchase Contract or the Underwriter's participation hereunder, and (ii) prohibit the Underwriter from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider an Underwriter's use of profit as a violation of this Section.

(w) *Preservative-treated Wood Containing Arsenic.* The Underwriter may not purchase preservative-treated wood products containing arsenic in the performance of this Purchase Contract unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "*preservative-treated wood containing arsenic*" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. The Underwriter may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude the Underwriter from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

(x) *Compliance with Laws.* The Underwriter shall keep themselves fully informed of the City's Charter, codes, ordinances and regulations and of all State, and federal laws in any manner affecting the performance of this Purchase Contract, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

(y) *Protection of Private Information.* The Underwriter has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of San Francisco Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. The Underwriter agrees that any failure to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Purchase Contract. In such an event, in addition to any

other remedies available to it under equity or law, the City may terminate the Purchase Contract, bring a false claim action against the Underwriter pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Underwriter.

(z) *Graffiti Removal.* Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti. The Underwriter shall remove all graffiti from any real property owned or leased by the Underwriter in the City and County of San Francisco within forty eight (48) hours of the earlier of the Underwriter's (a) discovery or notification of the graffiti, or (b) receipt of notification of the graffiti from the Department of Public Works. This Section is not intended to require an Underwriter to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

Any failure of the Underwriter to comply with this Section of this Purchase Contract shall constitute a material breach of this Purchase Contract.

(aa) *Food Service Waste Reduction Requirements.* Effective June 1, 2007, the Underwriter agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Purchase Contract as though fully set forth. This provision is a material term of this Purchase Contract. By entering into this Purchase Contract, the Underwriter agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, the Underwriter agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Purchase Contract was made. Such amount shall

not be considered a penalty, but rather agreed monetary damages sustained by City because of the Underwriter's failure to comply with this provision.

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

(cc) *Submitting False Claims; Monetary Penalties.* Pursuant to San Francisco Administrative Code Section 21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. A contractor, subcontractor or consultant who submits a false claim shall also be liable to the City for the costs, including attorneys' fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City for a civil penalty of up to ten thousand dollars (\$10,000) for each false claim. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (i) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (ii) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (iii) conspires to defraud the City by getting a false claim allowed or paid by the City; (iv) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (v) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

(dd) *City a Third Party Beneficiary.* The City is hereby designated as a third party beneficiary for the purpose of enforcing all of the obligations of this Purchase Contract.

## APPENDIX B

### CERTIFICATE OF THE UNDERWRITER REGARDING INITIAL REOFFERING PRICES

#### Public Utilities Commission of the City and County of San Francisco Power Revenue Bonds, 2015 Series A

This certificate is being delivered by Wells Fargo Bank, N.A. (the “Underwriter”), the underwriter listed in the Bond Purchase Contract, dated \_\_\_\_\_, 2015 between the Underwriter and Public Utilities Commission of the City and County of San Francisco (the “Commission”) for the sale of \$\_\_\_\_\_ aggregate principal amount of Public Utilities Commission of the City and County of San Francisco Power Revenue Bonds, 2015 Series A (the “Bonds”).

#### THE UNDERSIGNED HEREBY CERTIFY AS FOLLOWS:

1. The undersigned is the underwriter who purchased the Bonds. The undersigned is authorized to execute this certificate, which is based on one or more of (i) personal knowledge, (ii) inquiry deemed adequate by the undersigned and (iii) institutional knowledge regarding the matters set forth herein.

2. On [Date] (the “Sale Date”), all of the Bonds have been the subject of a *bona fide* offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (the “Public”) pursuant to the Bond Purchase Contract, and on the Sale Date we reasonably expected that the first price at which at least 10% of the principal amount of each maturity would be initially sold to the Public would be the respective price for that maturity shown, as set forth in Schedule I hereto. The first price at which at least 10% of the principal amount of each maturity initially was sold to the Public was the respective price for that maturity shown on Schedule I hereto. For purposes of this certificate, we have assumed that the phrase “bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers” refers only to persons who, to our actual knowledge, are acting in such capacity.

3. We have no reason to believe that the prices shown on Schedule I hereto, in the opinion of the Underwriter, represent prices that are greater than the expected fair market value for all of the Bonds as of the Sale Date.



4. The Commission may rely on the foregoing representations in making its certification as to issue price of the Bonds under the Code, and Orrick, Herrington & Sutcliffe LLP and Curls Bartling P.C., as co-bond counsel, may rely on the foregoing representations in rendering their opinion that interest on the Bonds is excluded from gross income for federal income tax purposes; provided, however, that nothing herein represents our interpretation of any laws, and in particular, regulations under section 148 of the Code.

\_\_\_\_\_, 2015

WELLS FARGO BANK, N.A.

By: \_\_\_\_\_  
Authorized Representative