

\$ \_\_\_\_\_ \*

**CITY OF SAN FRANCISCO FINANCE CORPORATION  
REFUNDING LEASE REVENUE BONDS, SERIES 2018[A]  
(OPEN SPACE FUND – VARIOUS PARK PROJECTS)**

**PURCHASE CONTRACT**

\_\_\_\_\_, 2018

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

Ladies and Gentlemen:

The undersigned \_\_\_\_\_, acting on behalf of itself (the “Representative”) and the other Underwriters named on the signature page of this Purchase Contract (collectively, the “Underwriters”), offers to enter into the following agreement with the City and County of San Francisco Finance Corporation (the “Issuer”) and the City and County of San Francisco (the “City”). Upon the acceptance of this offer by the Issuer, this Purchase Contract will be binding upon the Issuer and the Underwriters. This offer is made subject to the acceptance of this Purchase Contract by the Issuer on or before 5:00 P.M. California time on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriters upon written notice (by facsimile transmission or otherwise) from the Representative delivered to the Issuer at any time prior to the acceptance of this Purchase Contract by the Issuer. If the Underwriters withdraw this offer, or the Underwriters’ obligation to purchase the bonds captioned above (the “Bonds”) is otherwise terminated pursuant to Section 8(c) hereof, then and in such case the Issuer shall be without any further obligation to the Underwriters, including the payment of any costs set forth under Section 10(b) hereof, and the Issuer shall be free to sell the Bonds to any other party.

Capitalized terms used in this Purchase Contract and not otherwise defined herein shall have the respective meanings set forth for such terms in the Trust Agreement (as hereinafter defined).

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth in this Purchase Contract, the Underwriters hereby jointly and severally agree to purchase from the Issuer, and the Issuer agrees to sell and deliver to the Underwriters, all (but not less than all) of the \$\_\_\_\_\_ aggregate principal amount of the Bonds.

The Bonds shall be dated the date of delivery thereof and shall have the maturities, subject to the right of prior prepayment, and bear interest at the rates per annum and have the yields all as set forth on Schedule I attached hereto.

The purchase price for the Bonds shall be \$\_\_\_\_\_, calculated as the aggregate principal amount of the Bonds in the amount of \$\_\_\_\_\_, plus an original issue premium in

the amount of \$ \_\_\_\_\_ and less an aggregate underwriters' discount in the amount of \$ \_\_\_\_\_. The net purchase price due at Closing for the Bonds shall be the purchase price for the Bonds less the amount of the Good Faith Deposit required by Section 9 hereof.

Interest with respect to the Bonds will be excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and will be exempt from State of California personal income taxes, all as further described in the Official Statement, dated the date hereof, and relating to the Bonds (as amended and supplemented, the "Official Statement").

Section 2. Official Statement. The Issuer ratifies, approves and confirms the distribution of the Preliminary Official Statement with respect to the Bonds, dated \_\_\_\_\_, 2018 (together with the appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto, the "Preliminary Official Statement"), in connection with the offering and sale of the Bonds by the Underwriters prior to the availability of the Official Statement. The Issuer represents that the Preliminary Official Statement was deemed final as of its date for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Corporation under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for the omission of offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, ratings and other terms of the Bonds depending on such matters.

The Issuer shall provide the Underwriters, within 7 business days after the date hereof (but in any event at least 2 business days prior to the Closing Date (as defined herein)) with a reasonable number of copies of the Official Statement in the form of the Preliminary Official Statement with such changes thereto as have been approved by the Representative (which approval shall not be unreasonably withheld), as requested by the Representative, for distribution. The Issuer authorizes and approves the distribution by the Underwriters of the Official Statement in connection with the offering and sale of the Bonds. The Issuer authorizes the Representative to file, and the Representative hereby agrees to file at or prior to the Closing Date (as defined herein), the Official Statement with Municipal Securities Rulemaking Board Rule G-32 (the "MSRB"), or its designees. The Official Statement, including the appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto on or prior to the Closing Date is herein referred to as the "Official Statement."

Section 3. Authorization and Purpose of the Bonds.

The Bonds are being issued for the purpose of providing funds to (a) refund certain outstanding bonds previously issued by the Issuer (the "Refunded Bonds"), and (b) pay costs of issuance of the Bonds.

By Ordinance of the City adopted \_\_\_\_\_, 2018, the City has requested, that the Issuer authorize the issuance of the Bonds, in order for the Issuer to refund the Refunded Bonds. The Issuer authorized the issuance of the Bonds by Resolution No. \_\_\_\_\_, adopted \_\_\_\_\_, 2018 (the "Resolution"), by the Board of Directors of the Issuer.

The Issuer shall issue the Bonds pursuant to that certain Master Trust Agreement, dated as of October 1, 2006, by and between the Issuer and U.S. Bank National Association, as Trustee (the “Trustee”), as supplemented by a Third Supplemental Trust Agreement, dated as of \_\_\_\_, 2018, by and between the Issuer and the Trustee (the “Trust Agreement”), and use a portion of the proceeds thereof to make the advance rental payment to the City under the Site Lease, dated as of October 1, 2007, by and between the City, as lessor, and the Issuer, as lessee, as amended by a Third Amendment to Site Lease, dated as of \_\_\_\_, 2018 (the “Site Lease”), which the City will in turn use to prepay its payment obligations under the Original Master Lease (defined below) as amended by the First Amendment to Lease (defined below).

Pursuant to a Third Amendment to Master Lease, dated as of \_\_\_\_, 2018, between the Issuer and the City (the “Third Amendment to Lease” and, together with the Master Lease, dated as of October 1, 2006, by and between the City, as lessor, and the Issuer, as lessee, as amended, the “Lease”), Issuer shall lease back the Facilities to the City, and the City shall make certain periodic rental payments to the Issuer.

Pursuant to an Assignment Agreement, dated as of \_\_\_\_, 2018, (the “Assignment Agreement”), between the Issuer and the Trustee, the Issuer shall assign to the Trustee its right to receive such periodic rental payments in order to provide funds to repay the Bonds.

The Bonds shall be payable, and shall be subject to prepayment prior to their respective stated maturities, as provided in the Trust Agreement and in **Schedule I** hereto.

This Purchase Contract, the Trust Agreement, the Lease, the Site Lease and the Continuing Disclosure Certificate are sometimes together referred to in this Purchase Contract as the “Issuer Documents.”

**Section 4. Issuer Representations, Covenants and Agreements.** The Issuer represents and covenants and agrees with each of the Underwriters that as of the date hereof:

(a) The Issuer has full legal right, power and authority to enter into the Issuer Documents, to approve the Resolution, and to observe, perform and consummate the covenants, agreements and transactions contemplated by the Issuer Documents and the Resolution; by all necessary official action of the Issuer, the Issuer has duly adopted the Resolution prior to or concurrently with the acceptance hereof and has approved the Preliminary Official Statement and the Official Statement; the Resolution is in full force and effect and has not been amended, modified or rescinded; the Issuer has duly authorized and approved the execution and delivery of, and the performance by the Issuer of its obligations contained in, the Resolution and the Issuer Documents; the Issuer has duly authorized and approved the execution and delivery of the Official Statement; and the Issuer is in compliance in all material respects with the obligations in connection with the issuance and delivery of the Bonds on its part contained in the Resolution and the Issuer Documents.

(b) As of the date thereof, the Preliminary Official Statement (except for information regarding The Depository Trust Company (“DTC”) and its book-entry only system) did not contain any untrue statement of a material fact or omit 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.

(c) From the date of delivery of the Official Statement (as hereinafter defined) up to and including the end of the underwriting period (as such term is defined in Rule 15c2-12), the Official Statement (except for information regarding DTC and its book-entry only system) does not and will not contain any untrue statement of a material fact or omit 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. For purposes of this Purchase Contract, the end of the underwriting period shall be deemed to be the Closing Date (as hereinafter defined), unless the Underwriters notify the Issuer to the contrary on or prior to such date.

(d) If the Official Statement is supplemented or amended pursuant to Section 4(e), at the time of each supplement or amendment thereto and at all times subsequent thereto up to and including the Closing Date or the end of the underwriting period, as the case may be, the Official Statement as so supplemented or amended (except for information regarding DTC and its book-entry only system) will not contain any untrue statement of a material fact or omit 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.

(e) If between the date of delivery of the Official Statement and the end of the underwriting period (i) any event occurs or any fact or condition becomes known to the Issuer that might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or omit 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, the Issuer shall notify the Representative thereof, and (ii) if in the reasonable opinion of the Issuer or the Representative such event, fact or condition requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer will at its expense supplement or amend the Official Statement in a form and in a manner approved by the Representative, which approval shall not be unreasonably withheld.

(f) The Issuer is not in material violation of, or in material breach of or in material default under, any applicable constitutional provision, charter provision, law or administrative regulation or order of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, or other agreement or instrument to which the Issuer is a party or to which the Issuer or any of its properties is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a material default or event of default under any such instrument; and the execution and delivery of the Issuer Documents, the adoption of the Resolution and compliance with the provisions of the Issuer Documents and the Resolution will not conflict with or constitute a material breach of or material default under any constitutional provision, charter provision, law, administrative regulation, order, judgment, court decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is subject, or by which

it or any of its properties is bound, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its properties or under the terms of any such law, regulation or instrument, except as permitted by the Issuer Documents and the Resolution.

(g) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending, with service of process having been accomplished, or to the best knowledge of the Issuer after due inquiry, threatened by a prospective party or their counsel in writing addressed to the Issuer, (i) in any way questioning the corporate existence of the Issuer or the titles of the officers of the Issuer to their respective offices; (ii) in any way contesting, affecting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or the payment of the principal and interest with respect to the Bonds, or the application of the proceeds of the Bonds; (iii) in any way contesting or affecting the validity of the Bonds, the Resolution, or the Issuer Documents, or contesting the powers of the Issuer or any authority for the issuance and delivery of the Bonds, the approval of the Resolution or the execution and delivery by the Issuer of the Issuer Documents or the Official Statement; (iv) which would likely result in any material adverse change relating to the business, operations or financial condition of the Issuer or satisfy its payment obligations with respect to the Bonds; or (v) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or asserting that the Preliminary Official Statement or the Official Statement 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.

(h) The Issuer will furnish such information, execute such instruments and take such other action not inconsistent with law or established policy of the Issuer in cooperation with the Representative as may be reasonably requested (i) 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 of America as may be designated by the Representative, and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions; provided, that the Issuer shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(i) The Issuer Documents when executed or adopted by the Issuer, will be legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, other laws affecting creditors rights generally, and to limitations on remedies against cities and counties under California law.

(j) All material authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, court, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of, its respective obligations under Issuer

Documents and the Resolution have been duly obtained or when required for future performance are expected to be obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

(k) The financial statements of the Issuer for the fiscal year ended June 30, 2017, set forth as an Appendix to the Official Statement fairly present the financial position of the Issuer as of the dates indicated and the results of its operations, the sources and uses of its cash and the changes in its fund balances for the periods therein specified to the extent included therein and, other than as set forth in the Official Statement, were prepared in conformity with generally accepted accounting principles applied on a consistent basis.

(l) The Issuer has never defaulted in the payment of principal or interest with respect to any of its general obligation bonds.

(m) The Issuer will undertake, pursuant to the Resolution and a Continuing Disclosure Certificate to provide certain annual financial information and notices of the occurrence of certain enumerated events pursuant to paragraph (b)(5) of Rule 15c2-12. An accurate description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. The Issuer has been and is in compliance with its continuing disclosure obligations under Rule 15c2-12, as described in the Official Statement.

(n) Between the date hereof and the Closing Date, the Issuer will not supplement or amend the Issuer Documents, the Resolution or the Official Statement in any respect that is material to the obligations of the Issuer under this Purchase Contract without the prior written consent of the Representative, which consent shall not be unreasonably withheld.

Section 5. Underwriters' Representations, Covenants and Agreements. Each of the Underwriters represents and covenants and agrees with the Issuer that:

(a) The Representative has been duly authorized to enter into this Purchase Contract and to act hereunder by and on behalf of the Underwriters.

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

(c) It shall comply with Chapter 12B of the San Francisco Administrative Code, entitled "Nondiscrimination in Contracts," which is incorporated herein by this reference.

(d) This Purchase Contract, assuming due and legal execution and delivery thereof by, and validity against, the Issuer, when executed by the Representative, will be a legal, valid and binding joint and several obligation of each Underwriter enforceable in accordance with its terms, subject to valid bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally. The Underwriters

represent and warrant to the Issuer that the Representative has been duly authorized to enter into this Purchase Contract and to act hereunder by and on behalf of the Underwriters. Any authority, discretion or other power conferred upon the Underwriters by this Purchase Contract may be exercised jointly by all of the Underwriters or by the Representative on their behalf.

Section 6.     Offering.

(a) It shall be a condition to the Issuer's obligations to sell and to deliver the Bonds to the Underwriters and to the Underwriters' obligations to purchase and to accept delivery of the Bonds that the entire \$\_\_\_\_\_ principal amount of the Bonds shall be issued, sold and delivered by or at the direction of the Issuer and purchased, accepted and paid for by the Underwriters at the Closing. On or prior to the Closing, the Representative will provide the Issuer with information regarding the reoffering prices and yields on the Bonds, in such form as the Issuer may reasonably request.

(b) The Underwriters agree to make a bona fide public offering of all the Bonds, at prices not in excess of the initial public offering prices as set forth in the Official Statement. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the public offering price stated on the cover of the Official Statement. Each of the Underwriters will provide, consistent with the requirements of MSRB, for the delivery of a copy of the Official Statement to each customer who purchases a Bond during the underwriting period. Each of the Underwriters further agree that it will comply with applicable laws and regulations, including without limitation Rule 15c2-12, in connection with the offering and sale of the Bonds.

(c) Issue Price. Notwithstanding any provision of this Purchase Contract to the contrary, the Underwriters and Issuer agree to the following provisions related to the issue price of the Bonds:

(1) For purposes of this section, the following definitions apply:

(i) "*Public*" means any person other than an underwriter or a related party to an underwriter.

(ii) "*underwriter*" means (A) any person that agrees pursuant to a written contract with the Issuer, as accepted and agreed to by its Controller, (or with the lead underwriter for the Bonds to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public).

(iii) "*Related Party*" means a purchaser of any of the Bonds who, along with the underwriter, are both subject, directly or indirectly, to (i) more than 50% common

ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(iv) “*Sale Date*” means the date of execution of this Purchase Contract by all parties.

(2) The Representative, on behalf of the Underwriters, agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Issuer and Co-Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(3) The Representative confirms that the Underwriters have offered the Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Appendix A attached hereto, except as otherwise set forth herein. The Issuer will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Contract, the Representative shall report to the Issuer the price or prices at which the Underwriters have sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Representative agrees to promptly report to the Issuer the prices at which Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(4) Schedule I also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Issuer and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial



offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (ii) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative shall promptly advise the Issuer when the Underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5<sup>th</sup>) business day after the sale date.

The Issuer acknowledges that, in making the representation set forth in this Section 1, the Representative will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires, and (iv) each Underwriter's representations contained in a certificate in substantially the form set forth in Exhibit B hereto confirming its compliance with its obligations regarding the hold-the-offering-price rules. The Issuer further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(5) The Representative confirms that:

- (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Representative is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Representative that either the 10% test has been satisfied as to the Bonds of that maturity or all Securities of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each

case if and for so long as directed by the Representative and as set forth in the related pricing wires;

(ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Representative or the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires; and

(6) The Underwriters understand that sales of any Bonds to any person that is a Related Party to an underwriter shall not constitute sales to the Public for purposes of this Section 1.

Section 7. Closing. At \_\_\_\_ a.m., California time, on \_\_\_\_\_, 2018, or at such other time as shall have been mutually agreed upon by the Issuer and the Representative (the “Closing Date” or the “Closing”), the Issuer will deliver or cause to be delivered to the account of the Representative (through DTC) the Bonds duly executed on behalf of the Issuer, together with the other certificates, opinions and documents set forth in Section 8(d); and the Representative will accept such delivery (through DTC) and pay by wire transfer the purchase price of the Bonds set forth in Section 1.

Payment for the delivery of the Bonds shall be coordinated at the offices of Squire Patton Boggs (US) LLP (and, together with and Amira Jackmon, Attorney at Law, “Co-Bond Counsel”), in San Francisco, California, or at such other place as may be mutually agreed upon by the Issuer and the Underwriters. Such payment and delivery is called the “Closing.” The Representative shall order CUSIP identification numbers and the Issuer shall cause such CUSIP identification numbers to be printed on the Bonds, but neither the failure to print any such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the Representative to accept delivery of and pay for the Bonds in accordance with the terms of this Purchase Contract. Physical delivery of the Bonds shall be made to the City Treasurer, as agent for DTC under the Fast Automated Securities Transfer System, or as otherwise instructed by the Underwriters, and will be in printed form, will be prepared and delivered in registered form and will be registered in the name of Cede & Co., as nominee of DTC. The Bonds will be made available to the Representative for checking not less than 2 business days prior to the Closing.

Section 8. Closing Conditions. The Underwriters have entered into this Purchase Contract in reliance upon the representations and warranties of the Issuer contained herein and to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of the obligations to be performed hereunder and under such documents

and instruments to be delivered at or prior to the Closing, and the Underwriters' obligations under this Purchase Contract are and shall also be subject to the following conditions:

(a) the representations and warranties of the Issuer herein shall be true, complete and correct on the date thereof and on and as of the Closing Date, as if made on the Closing Date;

(b) at the time of the Closing, the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented, and the Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to by the Representative;

(c)(1) the Underwriters shall have the right to cancel their obligation to purchase the Bonds by written notification from the Representative to the Issuer if at any time after the date of this Purchase Contract and prior to the Closing:

(i) any event shall have occurred or any fact or condition shall have become known which, in the reasonable judgment of the Underwriters upon consultation with the Issuer, Co-Bond Counsel and Disclosure Counsel (both as hereinafter defined), either (A) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (B) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect; or

(ii) legislation shall be enacted, or a decision by a court of the United States shall be rendered, or any action shall be taken by, or on behalf of, the Securities and Exchange Commission which in the reasonable opinion of the Underwriters has the effect of requiring the Bonds to be registered under the Securities Act of 1933, as amended, or requires the qualification of the Trust Agreement under the Trust Indenture Act of 1939, as amended, or any laws analogous thereto relating to governmental bodies; or

(iii) any national securities exchange, the Comptroller of the Currency, or any other governmental authority, shall impose as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters.

(iv) any state blue sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(v) there shall have occurred any materially adverse change in the affairs or financial condition of the Issuer, except for changes which the Official Statement discloses are expected to occur; provided however, that any such material adverse change shall have the effect of materially adversely affecting,

directly or indirectly, the market price of the Bonds, the ability of the Underwriters to enforce contracts for the Bonds or the sale at the contemplated offering price by the Underwriters of the Bonds;

(2) The Underwriters shall have the further right to cancel their obligation to purchase the Bonds by written notification from the Representative to the Issuer if at any time after the date of this Purchase Contract and prior to the Closing any of the following occurs and in the reasonable judgment of the Representative would have the effect of materially adversely affecting, directly or indirectly, the market price of the Bonds, the ability of the Underwriters to enforce contracts for the Bonds or the sale at the contemplated offering price by the Underwriters of the Bonds:

(i) there shall have occurred or any notice shall have been given of any, downgrading, suspension, withdrawal, or negative change in credit watch status by Moody's Investors Service, S&P Global Ratings and Fitch, Inc. or any other national rating service to any of the Issuer's obligations (including the ratings to be accorded the Bonds);

(ii) any proceeding shall have been commenced or be threatened in writing by the Securities and Exchange Commission (the "SEC") against the Issuer;

(iii) an amendment to the Constitution of the United States or the State of California shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the California legislature or legislation pending in the Congress of the United States shall have been amended or legislation shall have been recommended to the Congress of the United States or to the California legislature or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such Committee by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage 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 a decision shall have been rendered by a court of the United States or of the State of California or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State of California authority, with respect to federal or State of California taxation upon revenues or other income of the general character to be derived pursuant to the Resolution which may have the purpose or effect, directly or indirectly, of affecting the tax status of the Issuer, its property or income, its securities (including the Bonds) or any tax exemption granted or authorized by

State of California legislation or, in the reasonable judgment of the Representative, materially and adversely affecting the market for the Bonds or the market price generally of obligations of the general character of the Bonds;

(iv) the declaration of war or engagement in, or escalation of, military hostilities by the United States or the occurrence of any other national emergency or calamity relating to the effective operation of the government of, or the financial community in, the United States;

(v) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange or the establishment of minimum prices on such national securities exchanges, or the establishment of material restrictions (not in force as the date hereof) upon trading securities generally by any governmental authority or any national securities exchange; or

(vi) an order, decree or injunction of any court of competent jurisdiction, or order, ruling, regulation or official statement by the SEC, or any other governmental agency having jurisdiction of the subject matter, issued or made to the effect that the delivery, offering or sale of obligations of the general character of the Bonds, or the delivery, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect;

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

(viii) the purchase of and payment for the Bonds by the Underwriters, or the resale of the Bonds by the Underwriters, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

(d) at or prior to the Closing, the Underwriters shall have received each of the following documents:

(1) the Official Statement, together with any supplements or amendments thereto in the event the Official Statement has been supplemented or amended, with the Official Statement and each supplement or amendment (if any) signed on behalf of the Issuer by its authorized officer;

(2) copies of the adopted Ordinance, certified by the Clerk of the Board of Supervisors as having been duly enacted by the Board of Supervisors of the City and as being in full force and effect;

(3) copies of the adopted Resolution, certified by the Secretary of the Board of Directors of the Issuer as having been duly enacted by the Issuer and as being in full force and effect;

(4) a certificate of the Issuer executed by its authorized officer(s), substantially in the form attached hereto as Exhibit B;

(5) an opinion of Counsel to the Issuer addressed solely to the Issuer substantially in the form attached hereto as Exhibit C;

(6) opinions of Co-Bond Counsel, in substantially the form set forth in Appendix F to the Official Statement;

(7) supplemental opinions of Co-Bond Counsel, addressed to the Issuer and the Underwriters, dated the Closing Date and substantially in the form attached hereto as Exhibit D;

(8) an opinion of Hawkins Delafield & Wood LLP, Disclosure Counsel, addressed to the Issuer in form and substance acceptable to the Issuer and the Issuer Attorney;

(9) an opinion of \_\_\_\_\_, Underwriters' Counsel ("Underwriters' Counsel"), dated the Closing Date and addressed to the Underwriters in form and substance acceptable to the Underwriters;

(10) a Tax Certificate of the Issuer regarding the Bonds, in form satisfactory to Co-Bond Counsel;

(11) evidence of required filings with the California Debt and Investment Advisory Commission;

(12) evidence satisfactory to the Representative that Moody's Investors Service, Inc., S&P Global Ratings and Fitch, Inc. have assigned ratings to the Bonds set forth in the Preliminary Official Statement;

(13) the Continuing Disclosure Certificate duly executed by the Issuer; and

(14) such additional legal opinions, certificates, instruments or other documents as the Representative may reasonably request to evidence the truth and accuracy, as of the date of this Purchase Contract and as of the Closing Date, of the Issuer's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer on or prior to the Closing Date of all agreements then to be performed and all conditions then to be satisfied by the Issuer.

All of the opinions, letters, certificates, instruments and other documents mentioned in this Purchase Contract shall be deemed to be in compliance with the provisions of this Purchase Contract if, but only if, they are in form and substance satisfactory to the Representative and

Underwriters' Counsel. If the Issuer is unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Contract, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds are terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriters nor the Issuer shall be under further obligations hereunder, except that the respective obligations of the Issuer and the Underwriters set forth in Section 10 of this Purchase Contract shall continue in full force and effect.

Section 9. Good Faith Deposit. To secure the Issuer from any loss resulting from the failure of the Underwriters to comply with the terms of this Purchase Contract, the Representative has sent to the City Treasurer a wire transfer (in immediately available funds) payable to the order of the City Treasurer, for the benefit of the Issuer, in the amount of \$\_\_\_\_\_,000 (the "Good Faith Deposit"), the receipt of which is hereby acknowledged by the Issuer. The Good Faith Deposit will, immediately upon the Issuer's acceptance of this offer, become the property of the Issuer. The Good Faith Deposit will be held and invested for the exclusive benefit of the Issuer. At the Closing, the Underwriters shall pay or cause to be paid the net aggregate purchase price of the Bonds (as specified in Section 1 of this Purchase Contract) which takes into account the Good Faith Deposit. If the Underwriters fail to pay the purchase price in full upon tender of the Bonds (other than for a reason expressly set forth in Section 8 of this Purchase Contract), the Underwriters will have no right to recover the Good Faith Deposit or to any allowance or credit therefor, and the Good Faith Deposit, together with any interest thereon, will be retained by the Issuer as and for liquidated damages for such failure by the Underwriters. Retention of the Good Faith Deposit shall constitute the Issuer's sole and exclusive remedy and full liquidated damages for the Underwriters' failure (other than for a reason expressly set forth herein) to purchase and accept delivery of the Bonds pursuant to the terms of this Purchase Contract. Upon such retention, the Underwriters shall be released and discharged from any and all claims for damages by the Issuer against the Underwriters related to such failure and any other defaults by Underwriters hereunder. The Underwriters and the Issuer 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 Issuer would sustain in the event of the Underwriters' failure to purchase and to accept delivery of the Bonds pursuant to the terms of this Purchase Contract. The amount is agreed upon and fixed as liquidated damages because of the difficulty of ascertaining as of the date hereof the amount of damages that would be sustained in such event. Each of the Underwriters waives any right to claim that actual damages resulting from such failure are less than the amount of such liquidated damages.

Section 10. Expenses.

(a) Except for those expenses assigned to the Underwriters pursuant to Section 10(b) hereof, the Underwriters shall be under no obligation to pay, and the Issuer shall pay, any expenses incident to the performance of the Issuer's obligations under this Purchase Contract and the fulfillment of the conditions imposed hereunder, including but not limited to: (i) the fees and disbursements of Co-Bond Counsel, Disclosure Counsel and Backstrom McCarley Berry & Co., LLC, San Francisco, California and Kitahata & Company, San Francisco, California (the "Co-Municipal Advisors"); (ii) the fees and disbursements of any counsel, auditors, engineers, consultants or others retained by the Issuer in connection with the transactions contemplated herein; (iii) the costs of preparing and printing the Bonds; (iv) the costs of the printing of the

Official Statement (and any amendment or supplement prepared pursuant to Section 4(e) of this Purchase Contract); and (v) any fees charged by investment rating agencies for the rating of the Bonds.

(b) The Underwriters shall pay all expenses incurred by the Underwriters in connection with the offering and distribution of the Bonds, including but not limited to: (i) all advertising expenses in connection with the offering of the Bonds; (ii) the costs of printing the Blue Sky memorandum used by the Underwriters; (iii) all out-of-pocket disbursements and expenses incurred by the Underwriters in connection with the offering and distribution of the Bonds, including the fees of the CUSIP Service Bureau for the assignment of CUSIP numbers; and (iv) all other expenses incurred by the Underwriters in connection with the offering and distribution of the Bonds, including the fees and disbursements of Underwriters' Counsel.

Section 11. Notices. Any notice or other communication to be given to the Issuer under this Purchase Contract may be given by delivering the same in writing to the Issuer at the address set forth above and any notice or other communication to be given to the Underwriters under this Purchase Contract may be given by delivering the same in writing to the Representative:

If to the Issuer:

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

If to the Underwriters:

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

Section 12. Parties in Interest. This Purchase Contract is made solely for the benefit of the Issuer and the Underwriters (including the successors or assigns of the Underwriters), and no other person shall acquire or have any right hereunder or by virtue of this Purchase Contract. All of the representations, warranties and agreements of the Issuer contained in this Purchase Contract shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriters; (ii) delivery of and payment for the Bonds, pursuant to this Purchase Contract; and (iii) any termination of this Purchase Contract.



Section 13. Invalid or Unenforceable Provisions. In the event that any provision of this Purchase Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision 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. Governing Law; Venue. This Purchase Contract shall be governed by and interpreted under the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Purchase Contract shall be in the City of San Francisco.

Section 16. City Contracting Requirements. The City Contracting Requirements sets forth in Attachment A attached hereto are incorporated herein by this reference.

Section 17. Headings. The Section headings in this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

Section 18. Entire Agreement. This Purchase Contract, when accepted by the Issuer, shall constitute the entire agreement between the Issuer and the Underwriters and is made solely for the benefit of the Issuer and the Underwriters (including the successors or assigns of any Underwriter with the consent of the Issuer) and no other person shall acquire or have any right hereunder by virtue hereof. All of the Issuer's representations, warranties and agreements in this Purchase Contract shall remain operative and in full force and effect, regardless of (a) any investigation made by or on behalf of the Underwriters, (b) delivery of and payment for the Bonds hereunder, and (c) any termination of this Purchase Contract.

Section 19. No Fiduciary or Advisory Role; Arm's Length Transaction. The Underwriters and the Issuer 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 Issuer, on the one hand, and the Underwriters, on the other hand, (ii) in connection with such transaction, each Underwriter is acting solely as a principal and not as a municipal advisor, a financial advisor, or a fiduciary of the Issuer, and may have financial and other interests that differ from those of the Issuer, (iii) the Underwriters have not assumed (individually or collectively) a fiduciary responsibility in favor of the Issuer 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 Issuer on other matters), and (iv) the Issuer and the Underwriters have consulted with their respective legal, financial and other advisors to the extent they deemed appropriate in connection with the offering of the Bonds. None of the Underwriters is acting as a Municipal Advisor (as defined in Section 15B of the Exchange Act of 1934, as amended) in connection with the matters contemplated by this Purchase Contract.

This Purchase Contract shall become effective upon execution of the acceptance of this Purchase Contract by the Issuer and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

[UNDERWRITERS]

By: \_\_\_\_\_, as Representative

By: \_\_\_\_\_  
[Title]

CITY AND COUNTY OF SAN FRANCISCO FINANCE CORPORATION

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

CITY AND COUNTY OF SAN FRANCISCO FINANCE CORPORATION

By: \_\_\_\_\_  
Director of Public Finance

ACCEPTED at [\_\_\_\_\_] [a.m./p.m.] Pacific Time this \_\_\_ day of \_\_\_\_\_, 2018

APPROVED AS TO FORM:

DENNIS J. HERRERA,  
CITY ATTORNEY

By: \_\_\_\_\_  
KENNETH DAVID ROUX  
Deputy City Attorney

**ATTACHMENT A**  
**CITY CONTRACTING PROVISIONS**

**SCHEDULE I**

**MATURITY SCHEDULE**

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

**Bonds**

<u>Maturity Date</u> <u>(____ 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>
---	-----------------------------------	--------------------------------	--------------	--------------

\$ \_\_\_\_\_ % Term Bonds Due \_\_\_\_\_ 1, 20\_\_, Yield: \_\_\_\_%, Price: \_\_\_\_\_%

\$ \_\_\_\_\_ % Term Bonds Due \_\_\_\_\_ 1, 20\_\_, Yield: \_\_\_\_%, Price: \_\_\_\_\_%

**EXHIBIT A**  
**FORM OF ISSUE PRICE CERTIFICATE**

**FORM OF UNDERWRITERS CERTIFICATE**

**EXHIBIT B**

\$ \_\_\_\_\_\*  
**CITY OF SAN FRANCISCO FINANCE CORPORATION  
REFUNDING LEASE REVENUE BONDS, SERIES 2018[A]  
(OPEN SPACE FUND – VARIOUS PARK PROJECTS)**

**FORM OF CERTIFICATE OF THE ISSUER**

The undersigned \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_, respectively, of the City and County of San Francisco Finance Corporation (“the Issuer”), acting in their official capacities, hereby certify as follows in connection with the issuance and sale of the bonds captioned above (the “Bonds”):

1. The Issuer is a nonprofit public benefit corporation duly organized and validly existing under the laws of the State of California (the “State”), with full right, power and authority to (a) manage, control, hold and convey property for the use and benefit of the Issuer, and (b) enter into and perform all of the transactions contemplated by the Trust Agreement, the Facility Lease, the Site Lease, the Asset Transfer Agreement, the Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”) executed by the Issuer and the Purchase Contract, dated \_\_\_\_\_, 20\_\_ (the “Purchase Contract”), between the Issuer and \_\_\_\_\_, acting on its behalf and on behalf of \_\_\_\_\_, as underwriters (collectively, the “Issuer Documents”). Capitalized terms not otherwise defined herein shall have the meanings assigned thereto in the Purchase Contract.

2. The persons named below are now, and at all times from and after \_\_\_\_\_ 1, 20\_\_, have been duly appointed and qualified officers of the Issuer holding the offices of the Issuer set forth opposite their respective names, and each of the undersigned certifies that the signature affixed following the other of the undersigned’s name and office is the genuine signature of such person.

3. The representations and warranties of the Issuer contained in the Purchase Contract are true, complete and correct as of the Closing Date as if made on such Closing Date.

4. The Issuer has duly authorized the execution and delivery of the Issuer Documents and is authorized to perform the obligations on its part to be performed under the Issuer Documents, and each of the Issuer Documents constitutes the legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its respective terms.

5. Except for any information about book-entry or The Depository Trust Company, included therein, as to which we express no opinion or view, as of the date thereof, the Official Statement as of its date did not, and as of the date hereof, does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

6. The Issuer is not in breach of or in default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, note, ordinance, resolution, agreement or other instrument to which the Issuer is party or otherwise subject, which breach or default would in any way materially and adversely affect the Issuer Documents or the performance of any of the Issuer's obligations thereunder. No event has occurred and is continuing that with the passage of time or giving of notice, or both, would constitute such a breach or default. The execution and delivery by the Issuer of the Issuer Documents and compliance with the provisions thereof will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree or any agreement or other instrument to which the Issuer is a party or is otherwise subject; nor will any such execution, delivery or compliance result in the creation or imposition of any lien, charge, encumbrance or security interest of any nature whatsoever upon any of the revenues, property or assets of the Issuer, except as expressly provided or permitted by the Resolution.

7. No litigation is pending (with service of process having been accomplished) or, to the knowledge of the undersigned, threatened (a) to restrain or enjoin the issuance and delivery of the Bonds or the execution of and performance by the Issuer of the Issuer Documents or (b) in any way contesting or affecting the validity of the Bonds, the Issuer Documents or the performance by the Issuer of its obligations under the Issuer Documents.

8. There is no litigation pending (with service of process having been accomplished), or, to the knowledge of the undersigned, threatened against the Issuer or involving any of the property or assets under the control of the Issuer, including, without limitation, the Facilities that involves the possibility of any judgment or uninsured liability which may result in any material adverse change in the business, properties or assets or in the condition, financial, physical, legal or otherwise, of the Issuer or of the Facilities.



9. The Issuer does hereby certify that Resolution No. \_\_\_\_\_, adopted by the Board of Directors of the Issuer on \_\_\_\_\_, 2018 was duly adopted at proceedings duly conducted by the Issuer and that such Resolution is in full force and effect and has not been amended, modified or rescinded as of the date hereof.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands.

Dated: \_\_\_\_\_, 2018.

Name

Office

Signature

**EXHIBIT C**  
**FORM OF OPINION OF CORPORATION COUNSEL]**

**EXHIBIT D**

**FORM OF SUPPLEMENTAL OPINION OF CO-BOND COUNSEL**